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China Report

AGRICULTURE

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CHINA REPORT

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PROBLEMS IN SELLING GRAIN DESCRIBED

Beijing JINGJI RIBAO in Chinese 16 Jul 84 p 2

[Letters to the Editor: "Concentrate on Resolving the Big Matter of Difficulties in Selling Grain--Pay Attention to the Cry Coming from Rural Areas"]

[Text] Editor's Note: Under the new situation of an abundant grain harvest, giving attention to the problem of the peasants' difficulties in selling grain is strongly related to protecting the peasants' enthusiasm for production and to maintaining the excellent situation of continual increases in grain production. We certainly must pay attention to the cry of the peasants and treat the resolution of the problem of difficulty in selling grain as an important matter.

Resolution of the problem of difficulty in selling grain requires grain departments to make a major effort to reform their spirit. When looking at the situation in some areas, grain departments also have many troubles, and it will certainly not be enough to rely on them alone. It especially requires all levels of government to make overall arrangements and to adopt urgent and bold measures to make great efforts to provide assistance in personnel, storage, transportation and other areas. They should earnestly achieve day and night purchasing, with no refusal of sellers and purchasing of the entire amount offered. They should not restrict sales nor impose barriers. Moreover, they should strive to simplify procedures and to speed up progress in purchasing and requisition in order to eliminate the worries of the peasant masses.

Comrade Editor: In the past, Fengmu village in Xihua County was a "land of floods." There were disasters in 9 years out of 10. Flooding was controlled after Liberation, and the area became the key wheat producing area of the entire county. In recent years, the party's policy of

enriching the people has motivated the peasants' enthusiasm for production. An unprecedented bumper harvest was collected this summer, and it is predicted that 15 million jin of wheat will be sold to the state, three times more than in 1982.

This has led to difficulties in selling grain. At the most, our grain administration warehouses can only hold 6 million jin. Some 5 million jin of old grain from last year has not yet been shipped out. The practice of "people storing grain for the state" can only arrange for a maximum of 9 million jin.

Based on the above instructions, we have already implemented "no refusal to buy, no limits on purchases, no barriers," but there is no place to pile up the grain that has been bought. The Shahe and Yinghe Rivers flow through Fengmu village, and flooding occurs year after year. There also sometimes are breaches of the river channels. The flood season has now arrived, with continuous overcast and rainy conditions and rising water levels in the rivers. If there are problems in roadways, the results could be dreadful to contemplate. We hope that the higher authorities will quickly adopt measures to guarantee the safety of the state's grain.

Comadre Editor: Comrades in grain departments have worn out their shoes running around and their lips have become sore in order to complete state grain requisition tasks in the past few years, but it is still hard to complete the tasks. The party's policies in recent years have led to basic changes in the situation, and grain purchases by grain departments going door to door have been changed to us peasants urgently wanting the state to buy more grain. This reversal illustrates the development of grain production and the gradual movement of the peasants along the road to riches. What is regrettable is that when we are vigorously bringing cart after cart and sack after sack of grain to the grain station, the grain stations cannot buy them on time. Their faces covered in perspiration, the peasants surround the working personnel, urgently imploring them to purchase grain, but they still cannot get rid of it. Some peasants have said on the spot that they will reduce the area planted in grain in the future. I hope that the related departments will adopt urgent measures to solve the problem of difficulties in selling grain.

Photo caption: A corner of the grain accepting point in Xuchang City's grain storage bureau in Henan shows jammed lines of vehicles waiting to sell grain.

12539
CSO: 4007/204

DROP IN PRICES OF AGRICULTURAL, SIDELINE PRODUCTS NOTED

Beijing JINGJI RIBAO in Chinese 9 Jun 84 p 3

[Article: "At This Year's National Wholesale Commodity Trade Fair the Prices of Agricultural and Sideline Products Show a Steady Drop"]

[Text] This year in the first half of May the National Wholesale Commodity Trade Fair was held in Zhengzhou City, Henan Province. During the 5-day period of the fair, the volume of concluded commodity transactions reached 750 million yuan. The message that has come out of this trade fair is this: the supply sources for the vast majority of agricultural and sideline products are all relatively abundant and prices are steadily dropping. The drop in the negotiated prices of cereals is the most obvious: rice from Yunnan, Honghu in Hubei and other places has firm grains, a lustrous white color and a low market price. Grade 1 rice costs about 2 jiao 5 fen per jin, and Grade 2 costs about 2 jiao 3 fen per jin; wheat costs 2 jiao 1 fen to 2 jiao 2 fen per jin; and corn costs 1 jiao 3 fen per jin. Soybeans cost about 3 jiao 5 fen per jin, and mung beans cost 4 jiao 5 fen to 4 jiao 8 fen per jin. Large peanuts from Shandong cost 8 jiao 7 fen per jin.

Prices of most special local products are also dropping. The tag price of Hubei black fungus has steadily dropped from 13 yuan to 12.5 yuan, to 12.3 yuan and finally to 12 yuan per jin; the going price of large black fungus from Milin and Heilongjiang is 12 yuan per jin; and the prices of day lilies, black melon seeds, sweet fungus, dried longan meat and other commodities on the average tended to slump because of sufficient supplies. Of these, the price of dried hot peppers fell by a big margin, and the going price of Gansu Wuwei Grade 1 dried pepper was 7 jian per jin.

The number of representatives from all over China coming to participate in this trade fair totaled over 13,000 people. Some of them were the responsible persons from provincial, city and regional supply and marketing cooperatives as well as some county party secretaries and county heads, etc. The relatively abundant market information exchanged through this trade fair is beneficial for the rational planning of production and marketing of agricultural and sideline products and all types of other products.

12643
CSO: 4007/180

CALCULATING GROSS AGRICULTURAL OUTPUT VALUE DISCUSSED

Beijing ZHONGGUO NONGMIN BAO in Chinese 5 Jun 84 p 2

[Article: "Several Problems on Calculating Gross Agricultural Output Value"]

[Text] The 12th Party Congress put forth the overall goal of quadrupling our national gross annual industrial and agricultural output value from 1981 to the end of this century. Recently, our newspaper's reporters asked the responsible person for the State Statistical Bureau Agriculture Department questions on how to calculate the increases in gross agricultural output value.

Question: What is gross agricultural output value?

Answer: The agriculture we are talking about includes the cultivation of farm crops, forestry, animal husbandry, sideline production and fishing. Gross agricultural output value is the sum total of the output values of these five industries.

Gross agricultural output value is the total yield expressed in currency of all products and related sideline products from the five industries of farming, forestry, animal husbandry, sideline production and fishing. Among these, the sideline industry includes the gathering of wild plants, the hunting and catching of wild animals and wild fowl, industrial production by villages and cooperative organizations under the villages as well as commercialized handicraft production activities by peasant households.

Question: Which year is the base period for comparison in calculating increases in grose agricultural output value?

Answer: The 12th Party Congress put forth that "the general objective of China's economic construction for the 2 decades between 1981 and the end of the century is, while steadily working for more and better economic results, to quadruple the gross annual value of industrial and agricultural output."

Here it has already been clearly pointed out that the base period for the comparative calculations of increases in gross agricultural output value is the year 1980. In order to reflect the circumstances of agricultural development since the 3d Plenary Session of the 11th Party Central Committee, at the moment

some provinces, prefectures and counties are using the year 1978 as the base year for comparative analysis. This can also elucidate the question, but this is different from the quadrupling requirement set forth by the 12th Party Congress.

Question: In calculating increases in gross agricultural output value, why should the gross agricultural output value calculated from 1980 constant prices be used in carrying out comparisons?

Answer: In calculating gross agricultural output value, there are current prices and constant prices. Current prices are those actual prices in the reference year. Gross agricultural output value calculated according to current prices can reflect the actual production situation for that year, and can reflect the relative effect of internal realities. It can also serve as a base for calculating national income and the value of commodity output and is important in the analysis and study of such questions as a reference year's production, distribution, consumption and accumulations. However, calculating gross agricultural output value based on current prices is influenced not only by fluctuating yields but also by price fluctuations. In order to eliminate the influence of price fluctuations from year to year and place to place and enable the changes in gross agricultural output value to be limited only to changes in yields, which facilitates carrying out trend studies and comparisons between regions, the gross agricultural output value should be calculated based on constant prices. So-called constant prices are certain fixed prices used nationally in a given year. Use of constant prices for calculations permits the contrasting of gross agricultural output value from place to place and year to year. Because of this, a constant price is often also called a "comparable price." At present, the prices in use are the 1980 constant prices. Therefore, when making plans for or taking measurements of the gross agricultural output value of a particular place, the 1980 constant prices must be used in calculating, otherwise comparisons cannot be carried out.

Question: Which problems should receive attention when trying to calculate data on gross agricultural output value accurately?

Answer: First of all, you must make clear the importance of bringing about increases in gross agricultural output value. The ultimate purpose of realizing increases in gross agricultural output value is the promotion of production in each of the industries of farming, forestry, animal husbandry, sideline production and fishing. To realize a doubling of gross agricultural output value is to achieve 2 times the output of 1980 or a 100 percent increase. To bring about a quadrupling of agricultural output is to reach 4 times the level of 1980 or a 300 percent increase. By clarifying this point, we can carry out in a practical and realistic way the calculations of data on increases in gross agricultural output value.

Next we must make clear the fundamental difference between gross agricultural output value and gross income from the rural economy. The meanings of gross agricultural output value and gross income from the rural economy are not the same; their content and parameters are also not the same. According to

national economic departmental classifications, agriculture is only one among the five material production departments of industry, agriculture, building, commerce and transportation, posts and telecommunications. Currently, the proportion of gross agricultural output value has not even reached 30 percent of the societal output value. With regard to the gross income of the rural economy, besides income obtained from material production departments, it also includes income obtained from non-material production departments. Included in peasant household income is income from household members employed in the cities and also income sent back to the rural areas from relatives and friends. From this it can be seen that the content and scope of involvement included in gross income from the rural economy are much broader than the gross agricultural output value. In order to calculate data on increases in gross agricultural output value accurately, we must definitely guard against calculating into the gross agricultural output value those output values and incomes from other departments included under overall rural economic income but not included under the scope of calculating gross agricultural output value. For example, none of the commune-run industrial output values nor income from rural collective economic and peasant-operated building enterprises, commerce, transportation and communications operations, culture, education and health work should be calculated into the gross agricultural output value.

Third, we must take a close look at the constant factor of the gross agricultural output value data for the control year used in comparative work. There is the necessity of using the nationally stipulated 1980 constant prices in making calculations. The items must be identical, otherwise the problem will crop up of creating false increases because of comparing slightly slanted output values in a given year. The scope of gross agricultural output value must include that of the entire commune; for example, in calculating output value from green vegetable yields, we must include both the portion sold and the portion consumed by the peasants themselves.

12643
CSO: 4007/181

CHANGES IN MANAGEMENT OF GRAIN INDUSTRY ADVOCATED

Beijing RENMIN RIBAO in Chinese 20 Jun 84 p 5

[Article by Wu Shuo [0702 4311]: "The Grain Industry Should Become Management Oriented "]

[Text] In 1983 our nation's grain commodity market underwent a big change: the phase of long-term tension between supply and demand changed. In the past, owing to the slow development of grain commodity production, commodity grain was lacking, and the supply situation was tense for a long period. Grain departments emphasized using administrative methods for handling distribution and ignored the economics of commodity management. The complete set of systems, methods, measures and guiding thought that were formulated all developed out of the word "shortage" and a lot of attention was given to the word "equal." Under the circumstances of insufficient commodity grain in China, they played a major role in guaranteeing the basic needs of the people in cities and towns. Now our grain production has developed, commodity grain has become more abundant and this calls for the grain industry to turn from a distribution orientation toward a management orientation.

The basic feature of a management-oriented commodity industry is to respect the law of value and adopt economic methods for managing grain. Respecting the law of value requires that the effects of the law of value in regulating commodity production, circulation and consumption be taken into account. The adoption of economic methods develops out of the changing supply and demand situation in the grain market, thoroughly utilizing economic levers such as prices and tax revenues to set down and achieve a plan for commodity grain circulation. Our nationwide policy decisions should be blended with the business policy decisions of enterprises and should integrate central control and local vitality. Otherwise it will be difficult for the grain industry to promote production, guarantee supplies and bring about prosperous economic results.

In order for the grain industry to become management oriented, it is necessary to reform the current system of grain circulation and readjust grain circulation policy. First of all, it is necessary to reduce gradually the scope and proportion of grain which is centrally procured and sold, gradually increase the negotiated buying and selling of grain and expand the scope and proportion of grain subject to market regulation. Commodity grains which are outside the scope of state purchase plans should all be made available to the state, collectives and individuals alike and can be managed independently or jointly and can be handled by buying and selling. Grain management departments can take

the initiative and thus be flexible about participating in market regulation and go all out to develop management by negotiated prices; supply and marketing cooperatives in rural areas can develop the grain commodity marketing business. In short, it is necessary to establish a grain commodity industry structure with diversified economic components, diversified management forms and varied channels of circulation. It is necessary to change the method of placing the heavy burden of expanding grain marketing primarily or totally on the shoulders of the state grain departments; otherwise state finance can only increase the subsidization of grain prices. This adds to the heavy burdens on the state and at the same time is not beneficial to grain departments becoming more management oriented.

The objective situation of widespread demand for improved food consumption among the masses in the wake of increased purchasing power in cities and towns also calls for the grain industry to hasten the change to being management oriented. Grain consumption includes the three large categories of grain for food rations, grain for foodstuffs and grain for fodder. Currently the quantity of grain ration supplies is sufficient. The problem is the demand for improved grain quality and for diversification in refining food grain. As far as the foodstuffs industry is concerned, we still cannot fulfill market demand. Also the change-over to animal protein in fodder is a far cry from satisfying market demand.

According to the research of nutrition specialists, the average daily requirement for each person in China is the absorption of a quantity of heat equivalent to 2,430 kilocalories, or 75 grams of protein. Using this to arrange the composition of food intake, then each person would need to consume 60 jin of meat, 24 jin of eggs, 18 jin of fish and 60 jin of fresh milk per year. In order to produce this quantity of animal protein food products, it is estimated that roughly 278 jin of grain would be needed for the transformation to fodder. Further, the 1983 average consumption of meat, poultry, eggs and fish in our nation was only 30 so jin, which is even less. Therefore, the grain-processing industry, foodstuffs industry, and fodder industry all need to undergo major development.

This requires that the strategic targets in grain work be turned from solving the problem of eating to solving the problems of foodstuffs production and fodder on the basis of steadily solving the problem of eating. Business management by grain departments also cannot be limited to regulating marketing, but it should emphasize the processing industry, foodstuffs industry, fodder industry and the diversification of principal food grain supplies.

Developing the foodstuffs and fodder industries will resolve the problem of grain raw material supplies. Under the circumstances of fluctuating grain market prices, there cannot be too much reliance upon expanding grain supplies at parity prices for grain raw materials. Because of this, in addition to making a big effort to develop the collective foodstuffs and fodder industries in townships and towns, the ideal way of solving the problem is to carry out a multi-level, thoroughgoing processing of grains, developing comprehensive utilization to raise the rate of grain utilization and thoroughly bringing into play grain use value and all kinds of its nutritive ingredients to increase the output value of grain and grain products. For this it is necessary to

understand improved grain utilization rates from a higher plane. It is also necessary to import technology and develop intelligence. Only in this way is there the possibility of not using increased grain at parity prices for the grain raw material needs of the foodstuffs and fodder industry, instead being able to use large quantities of grain at negotiated prices and grain from the rural open markets without influencing the economic results of enterprises.

12643
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AGRICULTURAL RESPONSIBILITY SYSTEM EVALUATED

Beijing JINGJI LILUN YU JINGJI GUANLI [ECONOMIC THEORY AND BUSINESS MANAGEMENT] in Chinese No 3, 28 May 84 pp 34-37, 30

[Article by Yan Ruizhen [0917 3843 3791]: "On China's Agricultural Responsibility System"]

[Text] For the past few years China's agricultural responsibility system has piqued widespread interest among many public figures the world over. People have raised a few questions, such as whether or not China's agricultural responsibility system has changed the nature of the socialist collective economy in the countryside, what positive effects it has had and whether it might influence the course of China's agricultural modernization, what its developmental trend will be in the future and so forth. This article is a brief discussion of the above questions.

Not long after the People's Republic of China was founded, land reform was implemented on a national scale. On this foundation we promptly traversed the road that led to mutual aid groups in agricultural production, semisocialist elementary agricultural producers' cooperatives and socialist elementary agricultural producers' cooperatives and we established socialist collective ownership.

In 1958 we created the people's communes on the foundation of the agricultural cooperatives. In the past 30 years this economy of the cooperative ownership of agriculture has yielded certain positive results: it has accumulated funds, trained a cadre of qualified personnel with managerial capabilities and created new productive forces. However, the pace of China's rural economic development is still not compatible with the demands of national economic growth. The pace of development is slow and changes in the appearance of the rural areas have also been less than rapid. The peasants are still not prospering, nor have the advantages provided by a socialist system been brought into full play. One major reason is that the people's communes have put into effect an excessively uniform and overly centralized system. By "uniform" is meant one overall national pattern, and by "centralized" is meant excessively concentrated management, administration and labor deployment. The drawbacks to this kind of excessive uniformity are that it hinders farmers in localities with different levels of economic development from adopting diversified production and composite forms based on their own particular situations, and it

hinders them from tapping the latent potential of diversified production to develop enthusiasm for production. The drawbacks to overcentralization are as follows: it is detrimental to the establishment of effective systems of labor cooperation and joint labor; it fosters egalitarianism in distribution and a feeling that 'the squeaky wheel gets the grease" in labor organization; it hinders the enthusiasm of peasants to be concerned over production and labor results; and it influences the course of China's agricultural modernization. Therein lie the crucial reasons why the advantages of China's rural socialist system have not yet been totally realized.

To sum up in one point China's experience in the agricultural cooperative movement for the past 30 years, it is that we must find a management form that will be able to control the drawbacks of excessive uniformity and overcentralization and that will be able to bring the advantages of the socialist system into full play. In the past few years China's hundreds of millions of peasants, under the guidance of party policies laid down in 3d Plenum of the 11th party Central Committee, have discovered through personal and firsthand struggle diverse forms of the agricultural responsibility system characterized by contractual output. The forms of the agricultural responsibility system created by the Chinese peasants are many and varied and include the following three major forms:

1. Farm output quotas are fixed at the group level and remuneration is linked to planned output. In some units that have a high level of mechanization and a fairly developed economy, production assignments are contracted from the production group to the production team. Afterwards, based on the percentage by which the production quota is either over- or underfulfilled, they are rewarded or penalized by the same percentage of workpoints. Then the group distributes workpoints to the various commune members according to the circumstances of the completion of the task among them. This kind of responsibility system has narrowed the production unit from the team to the group. Rewards are also received according to the circumstances of production fulfillment by the group, thus arousing the enthusiasm of group members to be concenred about production and labor results within the group. However, if the managerial and administrative work does not keep pace, the drawbacks of overcentralization and egalitarianism will continue to exist to a certain degree within the group.

2. Farm output quotas are fixed at the household level and remuneration is linked to planned output. Here, the production team contracts production assignments directly to the household and either rewards or penalizes the household by the same percentage of workpoints as its quota is over- or underfulfilled. Owing to the fact that the calculation of labor rewards still takes the form of workpoints and the fact that certain tasks are centrally organized and carried out by the production team, the production team is still the unified management, calculation and distribution unit. Aside from income that depends on the completion of contract production assignments, the amount of income in commune members' households is still restricted by whether their collective management is good or bad.

3. Households are assigned the responsibility for task completion. Workpoints are abolished and the commune-member households contract only to accomplish the task of selling the various agricultural and sideline products to the state and to pay withholdings for production team accumulation funds and public welfare funds. The remaining products all are returned to commune-member ownership. The peasants summarize this concisely as "guarantee the state's share, reserve enough for the collective's share and the remainder is one's own." However, this kind of management and this assumption by separate households of all responsibility for profits and losses is founded on the basis of the public ownership of the land. Peasant households maintain a contractual relationship with the collectives, the collectives centrally supervise and make use of land, large agricultural machinery and water conservancy facilities. The collectives are subject to the guidance of the state plan and have certain communal withholdings. They make central arrangements for martyrs' families, for households enjoying the five guarantees and for poor households, and some of them also carry out agricultural capital construction under unified planning.

All three types of responsibility systems link the calculation and payment of remuneration to output and therefore are called contractual output responsibility systems. Of the three, the system that fixes household output quotas and the one that assigns households the responsibility for task completion both take the household as the contracting unit and are therefore also called household-contractual output responsibility systems. These forms of responsibility systems are those most welcomed by the peasantry and so have developed extremely rapidly. At present more than 90 percent of all peasant households are implementing household-contractual output responsibility systems. This reflects the fervent desires of the hundreds of millions of peasants who seek to develop socialist agriculture in accordance with China's practical rural situation.

The household-contractual output responsibility system was first adopted in economically impoverished and single-production localities (the latter were generally areas devoted exclusively to cultivation). Later on, the peasants extracted the basic experiences therefrom and put into effect "specialized contracting and task distribution" methods on a broad scale in rural industry and in sideline production, with very good results. In addition, all sorts of peasant household-contractual output responsibility systems were established in line with specialities in forestry, animal husbandry, fisheries, wasteland and waste-water reclamation and other diversified economic areas. These specialized contracting households, and the self-managed specialized households that developed out of a basis in household sidelines, do not at present represent a very large proportion (about 10 percent) of all peasant households. Nevertheless, they have played an extremely important role in three areas: in prodding the hundreds of millions of peasants to make use of natural resources, funds and surplus labor that have heretofore not been utilized; in progressively shifting nearly 300 million of the total agricultural labor force off of 100 million qing of cultivated land to launch a diversified economy; and in transforming self-contained and partially self-contained agriculture into commodity agriculture. This is an extremely important component of China's agricultural modernization.

In localities that are implementing a household-contractual output responsibility system, production teams and contracting households are linked through their contract agreements. The agreement incorporates the unifying principle of the contract, the provisions of centralized management, the requirements of state and collective plans, the plan for commodity distribution and the requirements for collective guarantees as well as the responsibilities, rights and interests of the individual.

In the wake of the pursuit of household-contractual output responsibility systems, the enthusiasm of the vast number of peasants has been aroused to develop production and to be concerned about production results. The peasantry is in urgent need of science and technology, and there has appeared an upsurge throughout the countryside of people studying and applying science. Compatible with this new trend, tens of thousands of agricultural technicians have mounted the front lines of agricultural production and, through all sorts of technical contract responsibility systems, have set up science demonstration households, technical service companies, production technology alliances, science and technology dissemination associations and so forth. By these means they have disseminated scientific and technological agricultural knowledge, spread scientific and technological results, provided scientific and technological services to peasants and also undertaken economic responsibility for this service.

Peasant households that are implementing a household-contractual output responsibility system have already diverged from those engaged in self-contained production and are heading right along the route to commodity and specialized production. Their products require processing and market selling and need both pre- and post-production services. In other words, they require the establishment of all sorts of new alliances. This is something new that has emerged from China's recent rural development. At present, the economic alliances that have already appeared in the countryside can be roughly divided into two types. one type are the production alliances, such as those in tractor plowing, irrigation, crop protection, epidemic prevention, controlled planting, breeding and other areas; the other type are the pre- and post-production alliances, such as those in supply and marketing, processing, storage, transport, information, credit and so forth. In the wake of the further immersion in production specialization and socialization, it may be predicted that the new economic alliances will develop further and will continue to be enriched in form and content. These new alliances are not the same as the people's commune cooperative organizations. They are allied upon the basis of a specialized division of labor and they have adopted various forms, such as household-household alliances, household-collective alliances and collective-populace alliances. They grow out of the reality of economic developmental necessities: wherever there is a need, a local alliance will be implemented. Moreover, they do nothing to disturb the basic management form of the household-contractual output responsibility systems.

In the wake of the implementation of the contractual output responsibility system, longstanding disadvantages in the Chinese countryside have been corrected. For one thing, the uniform rural economic structure has been replaced by a rural economic structure with more class statuses, more forms and more administrative

levels. 'More class statuses' refers to ownership. In the countryside, besides the original collective economy and the state farms of the national economy that are the principal forms, there have also emerged the independently organized partnership economy, the individual economy as in self-managed specialty households, the small-proprietor economy and the large-household contracting economy. 'More forms' refers to the fact that all economic components can have different management forms. For example, in collective ownership there is the contracting of output quotas at the group level and the household level as well as the household responsibility for task completion and so forth. 'More administrative levels' refers to the appearance of a variety of developmental levels in the respective developmental processes of each economic component. For example, there are different levels of new economic alliances: individual-individual, individual-cooperative, individual-populace, cooperative-cooperative, cooperative-populace and so on. The second disadvantage in the Chinese countryside that has been corrected is the overcentralized management form, which has been replaced by a centralized form combined with a decentralized form. Today, although the various forms of household-contractual output responsibility systems are dissimilar, when their most basic features are compared with those of the people's communes that existed prior to the implementation of responsibility systems, there are similarities as well as differences.

The similarities are as follows. (1) The land and most large-scale means of production still revert to collective ownership, the production team still continues to withhold accumulation funds and public welfare funds and the function of socialist extended reproduction still continues to play a role. (2) As far as production is concerned, the relationship between households that are members of collective economic organizations is still one of mutual aid and cooperation. (3) Under the guidance of unified state planning, the production teams of the past organized production on public lands. Nowadays, peasant households are entrusted by production teams to assign to the respective contracting households the production tasks decided upon by the production team in accordance with the guidance of the state plan. The organization of production of public lands is left to the respective contracting households to bring to fruition. The major portion of commodities and agricultural produce produced by contracting households is still sold to the state as stipulated by state policies. Contracting households are no more than a cell in the integrated organism of cooperative organization. (4) The modern agricultural forces of production that a single family or household cannot accommodate, such as large-scale farming equipment, water conservancy facilities and some manufacturing sectors, are still centrally administered and applied by the collective practicing centralized management. (5) All the net income produced by the peasants each year, except what is paid out in agricultural taxes or given for collective withholdings, is distributed to the commune members. By virtue of the fact that when collectives assign contract tasks to contracting households, those contract tasks, public withholdings and commune members' individual incomes are determined in accordance with the principle that commune members provide collectives with a certain amount of labor and receive an equivalent labor remuneration. Consequently, the commune members' individual incomes from contracted tasks are unified within the overall scope of the production team. In other words, within the scope of the production team,

unified distribution is practiced. No matter what the differences in locality or production team, centralized and decentralized management have nothing in common with each other, sometimes there are more elements of centralized management and sometimes the reverse is true. However, so long as it is a locality or production team in which the contractual output responsibility system is implemented correctly, the five conditions above will hold true. It is precisely the relationship of these five conditions that, in today's Chinese countryside, reflects in a concentrated way the essential features of the socialist relations of production in agriculture. It is also the demarcation line distinguishing the socialist collective economy from the individual economy.

The differences in basic features between the household-contractual output responsibility system and the people's communes are as follows: (1) Centralized labor and centralized management are replaced by decentralized labor and by management that is at the same time centralized and decentralized. The peasant household becomes the basic production unit and peasants, under the premise that they fulfill the state mission, have greater rights to act on their own and more flexibility to choose production categories and arrange production according to local conditions. This corrects such drawbacks as the 'squeaky wheel getting the grease" and the low labor efficiency in labor organization. (2) Equal distribution to those who work more and those who work less, to good and bad workers alike, has been replaced by a system wherein the more one works, the more one gets. The better a peasant household is managed and the more commodities it provides, the lower its costs will be and the higher its income and material gains will be. In this way the material gains of the peasant household can be integrated well with collective and state interests.

From the foregoing analysis it can be seen that the household-contractual output responsibility system has carried forward both the positive achievements of the past cooperative movement and the socialist character of Chinese agriculture and has enabled the productive forces that have formed in the past several years to play an even greater role. At the same time, it has also transformed the overcentralized form of management, expanded the peasants' rights to act on their own, brought into play the strong points of household management under the current level of production and combined centralized with decentralized management. It has combined adherence to a socialist system with arousing peasant enthusiasm for developing production, thereby bringing about the perfection of the cooperative system. In other words, what the household-contractual output responsibility system has transformed is not the character of the socialist collective economy but only its form of management. Under this form of management, household management through separate household contracts is not only a component of the socialist agricultural economy but is also one administrative level of the cooperative economy and is a new form of household economy fundamentally different from an individual economy.

The household-contractual output responsibility system has injected new blood into China's cooperative movement and has brought the state to adopt another series of policies for strengthening agriculture. Consequently, this has enabled its inherent superiority to be brought into full play. The history of

3 years of implementing the agricultural responsibility system between 1979 and 1982 convincingly illustrates this point:

1. As a result of the relative independence and autonomy of labor and of production management, the producers' interests and management results were directly linked. This enormously boosted producer initiative and promoted an increase in agricultural production and agricultural labor productivity by a rate previously unknown. Between 1978 and 1982 China's gross value of agricultural output increased by an average of 7.5 percent per year and surpassed the 3 percent average annual increase rate that held between 1952 and 1977. In the 16 years between 1952 and 1978 China's agricultural labor productivity rose by only 2.7 percent, whereas between 1979 and 1981 it increased by an average of 2.7 percent per year.

2. The rise in agricultural labor productivity brought about an enormous surplus in the rural labor force. In many places this surplus amounted to one-third to one-half of the labor force, creating the conditions for a shift of a large portion of the surplus agricultural labor force from the grain-producing sector to forestry, animal husbandry, sidelines, fisheries and cash crops. For the past 3 years, cotton output has risen by an average of approximately 15 percent per year, oil crops by more than 30 percent and sugar crops by more than 20 percent; the afforested area has been extended by an average of more than 4.4 million hectares per year; and pork, mutton and beef have increased by an average of 15 percent per year and rural industrial sidelines have grown by an average of 15 percent per year. The grain production emphasis in the Chinese countryside is in the process of shifting progressively toward the comprehensive development of a diversified economy and, in its wake, agricultural produce and commodities have also increased greatly. In the 3 years prior to 1982 taken together, the total number of society's purchases of agricultural and sideline products rose by about 90 percent. Of these, grain, cotton, sugar and tea rose by more than 40 percent, fresh eggs and poultry increased by more than 100 percent and oil crops grew by 200 percent. In towns and villages, thriving and prosperous markets have appeared on the scene. The self-contained and partially self-contained economy of the countryside is in the process of giving way step by step to a commoditized economy and socialist production.

3. Rural applications of science and technology have been spurred. In the past few years, in order to increase output and as a result of increased incomes, peasants have urgently required the purchase of fertilizer, agricultural chemicals, improved varieties and agricultural machinery as well as the dissemination of agricultural science and technology. In many places the peasants have raised the funds to purchase tractors, automobiles and other large-scale farm implements one after another. In view of this situation, the state has stipulated that "it is beneficial to the development of rural commodity production and the stimulation of the rural economy for individual peasants or combined households to purchase processing implements for agricultural and sideline products and to purchase small-scale tractors and motorboats for use in production and transport. This should be permitted. At this stage, the purchase of large-scale tractors and automobiles by private persons also should not be prohibited in principle." Of course, in light of many Chinese

factors, such as the large population, scarcity of cultivated land, broad expanse of area, great number of mountains and hills and emphasis on paddy fields as well as China's assortment of cropping systems and farming techniques--triple cropping, double cropping, intercropping and interplanting--hereafter China's agricultural management form will have to change. It will be the opposite of small-scale intensive farming, it will place an emphasis on the improvement of biological techniques and it will give first priority to increasing land productivity. Step by step, a modern system of agricultural technology will take shape on the foundation of small-scale intensive farming. The contractual output responsibility system does not obstruct, rather it greatly hastens, the establishment of this modern system of agricultural productivity. In addition, the centralized management function still present in the contractual output responsibility system and the variety of new economic alliances retained can both centrally manage modern agricultural production for those single families and households that are unable to manage it themselves. It is thus obvious that the contractual output responsibility system (including the household-contractual output responsibility systems) not only can accommodate the current priority on manual labor and the characteristics of agricultural production but can also accommodate the need for the development of productive forces in the process of agricultural modernization. As times goes on, it is playing a greater and greater role in giving impetus to the transformation of the traditional agricultural technology of the Chinese countryside into modern agricultural technology.

4. Increased peasant incomes and the attainment of widespread improvement in living standards are the direct results of growth in agricultural production. By 1982 the average income was 270 yuan, of which the contracted collective income represented approximately one-half. Again, for the period 1979 to 1982, this is an average increase of more than 19 percent per year. The peasants' cash income increased 45 percent, an average rise of more than 10 percent per year and a figure more than 5.9 times the annual increase of the previous 26 years. Widespread improvements were attained in peasant living standards and the 150 million poor households and 120 poor counties (except for a minority of counties in the northwest and southwest) resolved their basic subsistence problems. Further, some 20 percent or so of the peasant households nationwide improved their housing conditions, as a total of approximately 2 billion square meters of housing were constructed in this 4-year period. The overall rural economy was timulated and the peasantry lived and worked in peace and contentment, brimming with confidence in socialism. Some people worried that a polarization could arise in the countryside after the household-contractual output responsibility system was implemented. The facts proved just the opposite: not only was there no emergency of polarization, but there was a widespread increase in incomes on a rather large scale. Within this phenomenon, a portion of the peasantry experienced a faster increase and was the first to prosper.

The contractual output responsibility system is compatible with China's national condition, it belongs to a particular Chinese way of socialist cooperative economic development and it is the awesome creation of the Chinese peasantry. The task that faces us is that we must concentrate our strength to do well in the various relevent finetuning jobs. In particular, we must correctly handle

the relationships between centralization and decentralization and between specialization and coordination.

The production team was originally the basic accounting unit of the people's communes. Since the implementation of the contractual output responsibility system, the communes are still necessary to initiate construction on the land, to supervise water conservancy, to set up accumulation funds, to sign contracts and to do a good job in aiding poor households, in aiding the households enjoying the five guarantees and in providing various services. The production teams are at present still the link between the state and contracting households in fulfilling production plans and purchasing agricultural products. We must continue to fulfill these coordinated functions. However, in the opinion of the majority of localities, communes and brigades, the emphasis at the present time should be placed on arousing initiative in areas of decentralized management. We must enable households that contract farmland, specialized contracting households and self-managed specialized households to have the courage to go all-out in developing production and to exert themselves diligently to bring about prosperity, and we must make possible a new development of the agricultural forces of production. Only if there is a development of the agricultural forces of production and rapid progress in agricultural science and technology can the rural cooperative economy continuously open the paths to its own progress.

At present, specialized households have already sprung up in large numbers in the countryside. Following the further intensification of the specialization and social division of labor, it is inevitable that this will promote corresponding cooperation and create a demand for alliances in production, supply and marketing, transport, processing, scientific and technical services and other areas. Our policies fervently support and adroitly guide this according to circumstances, but we are not overly anxious for quick results. In the wake of the further development of the commodity economy, an even higher level of alliance may also be formed between each basic cooperative unit and between kinds of cooperatives. Alliances may appear between agriculture, industry and commerce, and rural cities and towns may also emerge.

In summary, the outline of China's rural cooperative economic development is already gradually becoming clear. However, its specific forms still need to be clarified by the hundreds of millions of peasants in accordance with the needs of production development. They will do this by constantly weeding through the old to bring forth the new and then progressively perfecting it.

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IMPROVEMENT OF AGRICULTURAL PRODUCTION CONDITIONS ANALYZED

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[Article by Zhou Xiao [0719 2556]: "Some Aspects in the Improvement of Our Country's Agricultural Production Conditions"]

[Text] The fundamental reason for the continuous development of China's agricultural production since the 3d Plenum of 11th Party Central Committee is that the party's correct guiding principles have fully mobilized the production enthusiasm of the peasants. Improving agricultural production conditions in every way possible and actively adopting agricultural scientific and technological achievements are only two of the most important expressions of expanding the upsurge of peasant enthusiasm.

I. Use Land Resources Rationally, Raise the Land's Productivity

China has a large population and little arable land, and so it is vitally important to use land resources fully and rationally. For a long time, under the influence of "leftist" thinking, people issued confused orders that were divorced from actual conditions, did not pay attention to economic results, developed grain production in a lopsided manner and neglected a diversified economy. As a result, the land was cultivated in a lopsided manner, fertility dropped and the development of both grain and a diversified economy was affected. But after the 3d Plenum of the 11th Party Central Committee, villages everywhere implemented the contract responsibility system tying pay to production, peasants got the right to decide things for themselves and there was a turnaround in agriculture's extensive farming.

The general soil survey and land resource survey carried out since the end of 1978 created the conditions for fully and rationally using land resources and the land's productivity.

At present, 1,982 counties (banners), or 83 percent of all counties (banners) throughout the country, have already begun the general soil survey. Of them, 997 counties (banners), or 42 percent, have already finished. At the same time, over 1,000 counties (banners) in the country have already begun general land resource surveys. And we have also selected nine counties (banners) in different types of areas, such as mountainous regions, hilly regions and

flatlands, and have carried out detailed land resource surveys and pilot projects. This work to clarify land quality and the utilization conditions of various kinds of land plays a role that cannot be ignored.

Adjusting the distribution of agricultural crops in a way that suited measures to local conditions energetically pushed forward the heightening of land productivity. The nation's area planted in grain fell from 1.8 billion mu in 1978 to 1.7 billion mu in 1982, and during the same period, the area planted in cash crops rose by 65.31 million mu. In these 4 years, the average yearly yield growth for grain, cotton and oil crops increased by 3.8 percent, 13.5 percent and 22.7 percent, respectively, which were much greater rates than the average yearly yield growth between 1953 and 1978 of 2.4 percent, 2.0 percent and 0.8 percent, respectively. The average per-mu output value for arable land cultivation reached 111.5 yuan in 1982 (using 1980 fixed prices), up 25.6 percent over 1978 and an average annual growth of 5.9 percent. The average per-mu yield for grain, cotton, oil crops and sugar crops has grown by 23.4 percent, 39.0 percent, 50.9 percent and 44.3 percent, respectively, over 1978.

Take Sichuan as an example. In the past few years, that province has adjusted the areas for grain and cash crops, starting from actual local conditions, and has greatly promoted the development of agricultural production. In 1982, the area planted in cotton was reduced 43 percent compared to the previous year, and the 56 cotton-producing counties of 1978 were brought down to 17 counties suited to cotton growing. And with other measures for increasing production, that year the average per-mu cotton yield rose 32 jin, a 66.2 percent growth. The adjusted cultivated land was used to develop grain and diversified farming and has resulted in nearly 100 million yuan of increased income. And the grain yield increased 5.38 billion yuan over the previous year. For many years, because of concentrating solely on grain, Sichuan's Changshou County even had some communes and brigades which had a per-mu loss of 7.8 yuan for wheat and a per-mu loss of 10.3 yuan for late rice and in reality was going along a route of high consumption, low yields and a natural ecological cycle. But in recent years, because they have applied the results of agricultural resource surveys and agricultural planning; reduced the cultivated area of two-crop paddy rice, wheat and sweet potatoes; extensively planted cash crops such as hybrid paddy rice, rapeseed, hot preserved mustard tubers, green manure and peanuts; and given full play to the advantages of that county's sunlight, heat and water resources, in 1982 the total grain output for the whole county rose 36.1 percent over pre-adjustment 1980 and total agricultural income rose 46 percent.

Intensive agricultural farming very greatly raised land productivity and the commodity rate for agricultural products. According to statistics from 50 commercial grain base counties, in comparing 1978 to 1982 the average per-mu yield for the area planted with grain reached 460 jin, an increase of 94 jin or 25.7 percent; the average per-mu output for commodity grain from cultivated land supplied to the state increased 68.9 percent; the grain commodity rate rose from 26.4 percent in 1978 to 35.8 percent in 1982, or 10.9 percent higher than the average national level. Various kinds of specialized and key households that have sprung up in villages have played an important role in raising land productivity and in promoting the specialization, socialization and commercialization of agricultural production. According to a survey of 7,464

commercialized grain households in Hubei's Yangxin County, the grain commodity rate reached 45 percent, 20 percent higher than the average national level. These specialized households, which occupy a mere 6.1 percent of total households on only 10 percent of the county's cultivated land, produced 15.2 percent of the county's grain yield and sold grain to the state that was 40 percent of the whole county's state purchase amount. Raising the degree of intensification of agricultural production symbolizes the current transformation of China's traditional rural semi-self-sufficient agricultural economy toward commercialization.

II. Pay Attention to the Scientific Application of Fertilizer, Raise the Utilization Rate for Chemical Fertilizer

After the implementation of the agricultural production responsibility system, in addition to applying large amounts of organic fertilizer, peasants paid close attention to the scientific application of chemical fertilizer in order to raise per-unit yields; this assumed an important role in increased agricultural production.

The amount of chemical fertilizer applied has generally increased. The amount of chemical fertilizer applied in the whole country reached 15.13 million tons in 1982, a 6.29-million-ton or 71.2 percent increase over 1978, and an average annual increase of 14.4 percent. The amount of chemical fertilizer applied per mu of cultivated land rose from 11.9 jin to 20.5 jin, a nearly 100 percent increase. In recent years, the state has increased the input of chemical fertilizer for low- and medium-yield areas, and this played an important role in increased agricultural production. The 1982 state plan's one-time special chemical fertilizer supplement for low- and medium-yield areas reached 420,000 tons. The rather obvious increased yields are in double-crop late paddy rice. Due to the concentrated input of 350,000 tons of chemical fertilizer, they increased the yield by 17 billion jin.

We have further adjusted the proportions of nitrogen, phosphorus and potassium fertilizer applications. Since the 1970's, there has been a large increase in the amount of chemical fertilizer used in agriculture, and the problem of unbalanced proportions of nitrogen, phosphorus and potassium has become more severe every day because the soil quality was unknown. Data from the recent soil survey shows that approximately one-half of China's soil lacks phosphorus and one-fourth lacks potassium. To cope with this lack of phosphorus and potassium, places everywhere are beginning to pay attention to applying additional phosphorus fertilizer, potassium fertilizer and compound fertilizer. In the 4 years between 1979 and 1982, the amount of nitrogen fertilizer applied throughout the country increased 26.3 percent, the amount of phosphorus fertilizer applied increased 54.3 percent and the amount of potassium fertilizer applied increased 79.7 percent. As a proportion of the amount of chemical fertilizer applied in agriculture, nitrogen fertilizer fell from 70.6 to 68.9 percent, phosphorus fertilizer rose from 22.2 to 22.8 percent, potassium fertilizer rose from 3.0 to 3.8 percent and compound fertilizer rose from 4.2 to 4.5 percent. The ratio of nitrogen, phosphorus and potassium was adjusted from 1:0.31:0.04 in 1981 to 1:0.33:0.05 in 1982. There was an improvement in the irrational circumstances of fertilizer application.

There have been advances in fertilizer application technology. In order to raise the utilization rate of fertilizer, places everywhere have paid attention for the past few years to improving fertilizer application technology. For example, we have changed the scattered surface application of ammonium carbonate of the past to deep one-time application, reduced volatility, raised the average utilization rate about 15 percent and reduced the application amount by 20-30 percent. In 1982, the northwest region extended the deep application of ammonium carbonate over 3 million mu, and a survey shows that the per-mu yield for wheat can be increased 60 jin over the scattered application method. Or take custom-blended fertilizer application technology, that is, the custom blending of nitrogen, phosphorus, potassium and trace elements in fertilizer applied according to the different nutrients contained in the soil and the nutrient requirements of different crops. Generally, it increases the per-mu yield for grain nearly 100 jin over the single-element application method. Each jin of standard nitrogen can increase wheat yields by 4 jin, a nearly 100 percent increase over the results from solely applying nitrogen fertilizer, and each jin of calcium phosphate can increase wheat yields about 3 jin, or nearly 200 percent of the results of single-element applications. In 1982, Hubei's Xinzhou County carried out a comparative experiment with custom-blended fertilizer application technology in 20 peasant households, and the results clearly showed that the 10 households that applied custom-blended fertilizer achieved an average per-mu ginned cotton yield of 112 jin and a per-mu net income of 145 yuan; compared with the 10 households that applied only a single element, their average per-mu yield was 30.6 percent higher and their per-mu net income was 44.8 percent higher.

Moreover, in recent years the spreading use of micro-organic fertilizer has received more attention from people every day. Tests clearly show that the application of zinc to water paddy rice can raise the per-mu yield by 64-130 jin. The application of boron to cotton can raise the per-mu yield by 5-24 jin. The application of molybdenum to peanuts can raise the per-mu yield 20-70 jin. According to preliminary estimates in Sichuan, the entire province had only one increase in the application of micro-organic fertilizer in 1982, and increased the grain yield by 500 million jin, the cotton by 30,000 dan and the rapeseed by 140,000 dan and thus achieved a net income of over 7 billion yuan.

Generally speaking, there have been good widespread results from applying chemical fertilizer. Comparing 1982 to 1978, the national average per-mu application of chemical fertilizer to grain crops has increased by 5.4 jin and the average per-mu grain yield has risen by 20 percent. In many areas there is a very close correlation between the increased application of chemical fertilizer and the increased per-unit yield of grain. If we compare 1981 and 1982, the amount of chemical fertilizer applied in Hubei increased 20.4 percent and the per-unit grain yield went up 17.4 percent; the amount of chemical fertilizer applied in Jiangsu increased 17.2 percent and the per-unit grain yield rose 13.7 percent; the amount of chemical fertilizer applied in Shaanxi increased 18.1 percent; and the per-unit grain yield rose 26.4 percent. In addition, according to the survey statistics of concerned work units, the six Jilin counties of Lishu, Huaide, Yongji, Longqing, Huinan and Jiudai applied fertilizer suited to the soil on 7.1 million mu in 1982 and the average per-unit grain yield rose 21.6 percent over the previous year and, at the same time, reduced production costs and increased peasant income.

III. Popularize and Spread Improved Varieties and Promote the Raising of the Levels of Per-Unit Yields for Agricultural Crops

In the past few years, the number of improved varieties demanded by peasants has increased greatly each day and there has been a tremendous increase in the areas where improved varieties have been distributed.

Batch after batch of good high-yield, adaptable and resistant improved varieties and hybrid seed varieties have been bred for paddy rice. According to statistics from the concerned quarters, the nationwide area where improved varieties have been popularized has already reached 450 million mu or about 90 percent of the whole area planted in paddy rice. Since 1978, 13 southern provinces, cities and autonomous regions have built up over 300 million mu of hybrid paddy rice. If calculation was done by using an average per-mu increase yield of 100 jin over regular paddy seed varieties, it is possible to increase paddy rice yields over 30 billion jin. Between 1978 and 1982, Sichuan built up over 48 million mu of hybrid paddy rice with an average per-mu yield of 876.3 jin, 255.6 jin higher than with regular paddy rice varieties. If calculated at a per-mu increased yield of 200 jin, in 5 years the total increase in output of paddy rice would be 10 billion jin.

The nationwide area where improved wheat varieties have been distributed reached 380 million mu in 1982 or 90 percent of the national wheat-cultivating area. The area planted in 44 improved varieties of wheat has already surpassed 1 million mu. Of these, the improved wheat variety Taishan No 1 has already become the leading variety in the Huang he, Huai he and Haihe wheat areas due to its good adaptability and great potential for increasing yields. It has already been popularized nationwide since 1978 on more than 200 million mu of area, with an average per-mu yield increase of 10 percent over regular varieties. Hybrid corn varieties have already been spread to Henan, Shanxi, Shandong, Liaoning, Jilin, Heilongjiang, Shaanxi, Inner Mongolia, Hubei, Tianjin, Beijing and other provinces, cities and autonomous regions of the main corn-producing areas, and in 1982 already they were used in 72 percent of the corn-cultivating areas. The area of improved soybean seed use is already 70 percent of the cultivated area and has reached 90 percent in the northeast.

The nationwide area planted with improved varieties of cotton is over 95 percent of the area planted in cotton, and the main cotton-producing areas have already basically realized the changeover to improved varieties. Like the improved cotton variety Lumian No 1, in 1982 it was distributed to 31.6 million mu and, in general, the per-mu yield increased over 10 percent. The areas planted with improved varieties of rapeseed and peanuts amounted to over 70 percent.

With the rising tide of scientific study and application in the countryside and the constant increase in the level of scientific peasant farming, the spread of improved varieties will play an even more prominent role in increasing agricultural production and income. It is just as the peasants describe it: "If we think of increasing production and expect to increase production, it is all in vain without improved varieties. If we want to free ourselves and want to become rich, we must have improved varieties to open the way."

IV. Develop Economically Applicable Agricultural Machinery, Constantly Raise the Economic Effectiveness of Water Conservation and Electric Power Investment

China's agricultural machinery is just now developing in the direction of economical suitability and small-sized machines. Since the implementation of the agricultural production responsibility system, the majority of farms are one-family or one-household farms and the cultivated area has generally been made smaller, added to which the peasants demand intensive, meticulous farming. The role of large-sized agricultural machinery has certainly been limited, and small- and medium-sized agricultural machinery that is economically applicable has universally been welcomed by the peasants. At the same time that there was a successive 2 year drop in the rate of growth for the number of owners of large- and medium-sized tractors, there was widespread growth in the number of owners of small-sized and hand-operated tractors, with the number reaching 2.29 million by the end of 1982, a 12.3 percent increase over 1981. There are nearly 1 million tractors owned by private individual peasants, a 610,000 increase over 1981, and of these, 94 percent were hand-operated tractors. Seen from the marketing situation of the nation's agricultural mechanization service companies, in the first 10 months of 1983, at the same time that the number of large- and medium-sized tractors sold fell 11.3 percent, the number of hand-operated tractors sold reached 310,000, a 49 percent increase over the same period the previous year, and the supply could not meet the demand. Agricultural mechanization is already gradually moving from dealing solely with cultivation and transportation, as it did before, to dealing with various fields, from production to processing, in farming, forestry, animal husbandry, sideline production and fishery. Those agricultural implements which are of small bulk, little expense, many uses and good quality and which are also energy saving play a role that cannot be ignored in developing production and in pushing the peasants forward toward getting rich.

Farmland water conservation capital construction plays an enormous role in preventing drought and draining flooded fields. Since 1978, the nation's irrigated area, as a proportion of cultivated area, has been stable at about 45 percent. After the countryside implemented the agricultural production responsibility system, water conservation management departments and the broad masses strengthened management and gradually set up and perfected various kinds of water conservation management responsibility systems that were suited to the production responsibility system on the basis of summing up the preliminary period of implementing the responsibility system and finding that in some places there were problems such as water conservation engineering projects being ruined due to lax leadership. As a result, new things began to appear in the countryside such as specialized water conservation management households, irrigation companies and joint peasant household fund collections to handle water conservation. The broad peasant masses began from actual conditions, paid attention to irrigating according to the appropriate time and among different crops and used water resources fairly rationally. According to a survey by the management department for 14 counties in Shaanxi's Weinan, Xianyang and Shanglou Prefectures, after they implemented the water conservation management responsibility system, irrigation benefits generally went up 20 percent and costs dropped about 30 percent. It raised the efficiency of water conservation investment and guaranteed the continued development of agricultural development

even under conditions of reduced investment in water conservation construction and the repeated occurrence of floods and droughts over the past few years.

Of course, we must see that because the distribution of China's water resources is unbalanced, most of the southern regions tend to have a lot of rainfall, while most of the northern regions have a lot of cultivated land with little rainfall. At present our ability to prevent floods and drain flooded fields is still rather weak. Nationwide, an average area of over 300 million mu is susceptible to drought each year, and an area of about 100 million mu is susceptible to flooding, and although in recent years the number of actual disasters has dropped, each year grain harvests are reduced by several hundred million jin due to disasters, causing heavy losses to agricultural production. Consequently, constructing and perfecting a water conservation management responsibility system, fully and rationally using water resources and striving to raise our ability to prevent drought and drain flooded fields are still key points in doing a good job with China's present farmland water conservation capital construction.

Since 1978, the amount of electricity used in the countryside has continued its broad growth. In 1980 it topped 30 billion kilowatt-hours, in 1982 reached 39.7 billion kilowatt-hours and in 4 years it increased 14.4 billion kilowatt-hours, equivalent to the total increase of the previous 8 years and an average annual rate of increased development of 11.9 percent. Most outstanding is the quite rapid growth of small hydroelectric projects, whose present installed capacity has reached 8 billion watts. There are now 770 counties that rely on small hydroelectric projects for their electricity supply. The development of electric power plays an ever increasing role in promoting the development of agricultural production and in improving the daily lives of the peasants.

From the above quite incomplete description, you can already see that agricultural science and technology have already promoted the development of China's agricultural production and will do so even more in the future. Of course, there are still some concerns such as conscientiously acquiring a viewpoint of going in big for agriculture and grain, fully tapping the productive potential of mountain rivers and water surfaces and getting a good grasp on the animal husbandry industry and the water product cultivation industry in the same way that we got a good grasp on grain production; the problem of stabilizing the area of grain cultivation in order to guarantee man's most basic means of subsistence; the problem of conscientiously increasing the supply of chemical fertilizer to low- and medium-yield areas and guaranteeing that the limited supplies of chemical fertilizer actually reach the hands of the peasants; the problem of stabilizing improved varieties and increasing pure rejuvenation; and the problem of further raising the investment return for agricultural machinery and hydroelectricity and others, which still require conscientious study and solution by the concerned departments.

12452
CSO: 4007/173

ROLE OF AGRICULTURAL CREDIT DISCUSSED

Guangzhou YANGCHENG WANBAO in Chinese 16 May 84 p 3

[Article: "How Should Agricultural Credit Support the Development of Commodity Production?"]

[Text] How should agricultural credit support agricultural commodity development? This is one major question discussed at the Rural Finance Association's second membership congress in its first year, which was held in Gaungdong from 2 April to 7 April. To summarize, the members advanced the following opinions and proposals:

1) An understanding of the profound changes in our current rural economy. At the moment many changes are taking place in China's rural economy: for example, the transformation from a self-contained or partially self-contained economy to a commodity production-oriented economy; the development from an economy focused primarily on agriculture to one focused on agriculture, industry and commerce; the development from a traditional agriculture to modernized agricultural production; and the change of the structure of consumption from self-sufficient consumption to commodity consumption, from food to high-grade consumer durables and housing and from demand for quantity to demand for quality. We surely must pay attention to guarding against and overcoming natural economic thought and actively support rural commodity production, which is suited to the present rural economic situation.

2) Agricultural credit. In supporting agricultural commodity production, first of all it is necessary to resolve credit fund problems. There are three methods: 1) mobilize the collective capital of the masses and self-raised funds. 2) Attract foreign capital and do joint and cooperative ventures. 3) Grant state subsidies, namely the investment of money and credit support.

There are two differing views on banks using credit funds to support commodity production. One type of opinion is that with respect to supporting the development of mountain area economies and commodity production, interest should be lowered and preferential treatment provided to lower burdens on the producers. Another opinion is that bank interest rates on credit already have several levels, which shows that there is separate treatment and favorable consideration. Further, lowering interest is not the answer; provincial banks have no

power to change interest rates. Some comrades pointed out that favorable treatment can be given through financial investments and subsidies.

3) Object of credit. The direction and amount of agricultural credit investment should be focused on the units and individuals supporting developmental commodity production and enlivening the agricultural economy, guiding the economic structure, production structure and product structure along a precise direction of development. In order for loans to bring about the full economic results they should, lenders should have five basic conditions: (1) production technology, (2) a labor force and means of production, (3) sources for raw materials, a good market for the product(s) and a forecast of economic results, (4) their own definite funds, and (5) a good credit standing and sources of funds for repaying the loan.

4) Forms of credit. Under the principle of "self-raised" funds as primary and state support as secondary, besides the original methods, such forms as mortgage loans and leasing loans should be gradually opened up; a loan contract system should be thoroughly implemented; the burden of responsibility on the borrower, lender and guarantor should be clearly spelled out; a station for fund regulation information and a service office should be set up; and the interest negotiated by the borrower and lender should be notarized by a provincial Agricultural Bank notary. With respect to some investment projects with long production cycles extending beyond 1 year, the loan period should be appropriately extended and should not be restricted to repayment in the same year the credit was granted.

12643
CSO: 4007/180

DEVELOPMENT OF RURAL COMMODITY PRODUCTION ANALYZED

Beijing NONGYE JINGJI WENTI [PROBLEMS OF AGRICULTURAL ECONOMICS] No 3, 23 Mar 84 pp 62-63

[Article by Su Qun [5685 5028] and Zhang Qingzhong [1728 1987 1813]: "Agricultural Economic Scientific Circles Must Serve the Development of Rural Commodity Production"]

[Text] The Chinese Agricultural Economics Society held a Spring Festival Symposium in Beijing on 26 January 1984. The symposium, presided over by Comrade Cai Ziwei, chairman of the Board of Directors of the Agricultural Economics Society, was attended by more than 40 people from the agricultural economic circles.

Yu Guangyuan, Yang Xiandong, Wang Gengjin [3769 5087 0093], An Xiji, Zeng Linzhuang [6774 2651 8369] and other comrades and a number of middle-aged and young theoretical and educational workers spoke freely at the symposium about the excellent situation in the countryside. They pointed out that since the 3d Plenary Session of the 11th CPC Central Committee, a tremendous transformation of far-reaching historical significance has taken place in our countryside. The universal implementation and continuous improvement of the household contractual responsibility system linking production to planned quotas has given new vitality to agricultural collectivization.

The overall development in the past several years of agriculture, forestry, animal husbandry, sideline production and fishery; the comprehensive management of agriculture, industry and commerce; and the production and economic structures have gradually become more rational. With the rise of various specialized households and the new economic integration and the building of various types of commodity bases, the production of rural commodities has also developed quite rapidly. In 1983, grain, cotton and aquatic output reached the targets set in the Sixth 5-year Plan, 2 years ahead of schedule, and the peasants' livelihood has also improved noticeably. However, it should be noted that the development of the rural economy has been uneven in various localities, and the masses in some areas at present are still facing considerable hardship in food, clothing and housing.

After studying the guidelines of the Central Committee's Document No 1, the comrades pointed out that agricultural economics must serve the development of the production of rural commodities. The rich experience of the overall development of the rural economy in our country in the past several years has put forth many more new research tasks for agricultural economic circles and has opened up a broad vista for developing agricultural economics itself. According to the focal points for rural work this year stipulated in Document No 1, many questions need to be studied more penetratingly. For example:

First, the question of the production of rural commodities. The development of the production of commodities in our country has shown an irrestible trend. Various localities are further perfecting the contractual system linking production to planned quotas on the basis of household management, and they are also vigorously developing specialized households, raising the level of the management of peasant households and improving economic results so as to provide more commodities for the state. However, numerous problems have surfaced in the course which should be studied and solved without delay. One of the most prominent problems is circulation. The present channel of commodity circulation is a unitary one with many circulation links; as a result, the circulation of having "difficulties in buying" and "difficulties in selling" prevails everywhere, and such a state of affairs is extremely harmful to the development of commodity production. Thus to streamline the economic relations and dredge the channel of circulation rationally, particularly the restructuring of the rural commercial system, has become a task of top priority. Theoretical workers must conduct investigations and studies in a thorough going way and put forth positive proposals.

Second, the situation of feeding 800 million peasants should be changed gradually. The 800 million peasants are bound to the soil over a long period of time, and if the peasants are not better off, the country cannot be prosperous and strong. In order to correct this situation, while developing grain production, it is necessary vigorously to develop economic diversification, industries and sideline production and small cities and towns; it is necessary to shift step by step a great part of the rural labor force so as to let it "leave the soil but remain in the native place" so that it will engage in forestry, animal husbandry and fishery production; another part of the labor force should also be shifted to work in the small industries and small cities and towns. Only by so doing will we be able to raise the percentage of marketable agricultural products and agricultural economic results by a wide margin, make the peasants better off and fulfill the grand strategic targets set forth by the 12th CPC Congress by the end of this century.

Third, the question of the development of social services. With the development of specialization, socialization and commodity production, it is necessary to establish step by step a more perfect system to serve commodity production in order to satisfy the peasants' demands in the fields of capital, technology, supply, storage, processing, transportation,

market information and so on. In this connection, it is necessary to sum up advanced experiences continuously so as to set up step by step a complete social service system that is adaptable to our country's characteristics. In addition, the question of integrating and separating the relations in the new cooperative economy, the question of readjusting the production structure, the question of the rational development and utilization of natural resources and the question of maintaining the ecological balance and so forth should also be studied in a thorough going way. Comrades who spoke maintained that the key to developing agricultural production and rural economy lies in mobilizing the enthusiasm of the 800 million peasants. How to mobilize the enthusiasm of the peasants continuously requires us to study many policy and theoretical questions. Some comrades also suggested that we pay great attention to helping peasants to establish the ideas of scientific management and raise their cultural and scientific level. Under present conditions, it is necessary to adopt modern scientific "indigent methods" to help people improve economic results. One of China's basic characteristics is that its population is large, its territory is vast and its arable land acreage is small. We must make an issue of the word "large."

At the symposium, the comrades unanimously stressed that agricultual economics as a branch of learning itself should be built up. At present, research and teaching in the field of agricultural economics are far from adaptable to the need to develop the rural economy, particularly the need to develop commodity production. This is because: (1) the present agricultural economic contingents are small in number with a weak foundation and low proficiency level and are incompatible with the rapid development of the situation and (2) the teaching content and the courses being offered in agricultural economics as a specialty are incompatible with the "two changes" we now face. The teaching materials in agricultural economics now being used touch only on the process of agricultural production but do not teach the process of circulation. The comrades suggested that, first, leading organs at all levels should pay attention to building up agricultural economics as a branch of learning and also building up the agricultural economic contingents. Second, agricultural economic workers, should, proceeding from the actual prevailing conditions in our countryside, get hold of one or two important realistic questions and study them penetratingly and systematically in reference to the Marxist stand, viewpoint and methods and make every effort to get a theoretical scientific answer. Third, further efforts should be made to strengthen international intercourse and study and absorb beneficial experiences from abroad.

At the end, Comrade Cai Ziwei made a summary speech and laid out a schedule of activities for the Agricultural Economics Society in 1984.

12662
CSO: 4007/190

RESTRUCTURING OF RURAL ECONOMIC SYSTEM DISCUSSED

Beijing NONGYE JINGJI WENTI [PROBLEMS OF AGRICULTURAL ECONOMICS] in Chinese No 3, 23 Mar 84 pp 59-62

[Article by Chen Wuyuan [7115 2976 0955], Sichuan Academy of Social Sciences: "A Summary of the National Symposium on Theories for Reform of the Rural Economic System"]

[Text] The Chinese Academy of Agricultural Sciences and the Sichuan Academy of Social Sciences were commissioned by the Chinese Rural development Research Center, and in mid-November, 1983, in Chengdu, jointly convened the National Symposium on Theories for Reform of the Rural Economic System. Attending the symposium were theoretical workers from all areas of the country studying reform of the rural economic system, and a contingent of practical workers from experimental reform units--more than 130 people in all. The discussions of this symposium may be summarized as follows:

I. Accomplishments in Reform of the Rural Economic System in Recent Years

All were unanimous in thinking that reform of the rural economic system began with implementation of the joint production contract responsibility system. On this foundation, many areas also carried out the following reforms: 1. altering the integration of government administration with commune management in the people's commune system, carrying out a division of labor between commune management and government administration, establishing government administration separate from commune management, and setting up village political organizations and diverse rural economic organizations; 2. transforming small-scale management to comprehensive management, separating certain links in the agricultrual production chain and making them into specialized service entities, such as seed companies, feed companies, crop protection companies, agricultural technology companies and farm machinery companies to develop production in the direction of specialization, enterprization and socialization; 3. converting single operation agricultural production by integrating production, processing and marketing of agricultural products and implementing comprehensive managment of agriculture, industry and commerce; 4. reforming the circulation system, reviving the "three characteristics" (being democratic, flexible and mass in nature) of the supply and marketing cooperatives and credit cooperatives, and simultaneously developing cooperative and individual trade; 5. converting the "iron rice bowl" and "tenure system" of the cadre

system to a system of selection and appointment on the basis of excellence, and so forth. These reforms aroused the enthusiasm of vast number of rural cadres and peasants, promoted agricultural production, began the transformation in agriculture from an economy of self-sufficiency or semi-self-sufficiency toward a commodity economy, from traditional agriculture toward modern agriculture, and the best situation ever appeared in the rural areas across the nation.

On the whole, however, these reforms are basically in the realm of production rather than circulation; are mostly of an individual nature rather than comprehensive; are mostly at the grassroots level with only a few above the county level; are mostly reforms of structure rather than of substantive economic problems. In short, they concentrate on partial reform, make reform at the grassroots level central, yet lack comprehensive, systematic planning. It has therefore come about that each region and department corrects its own contradictions, without mutual coordination or linking up. Comrades at the symposium think that to carry out thorough and successful reform, the urgent task at present is to study how to integrate partial reform with overall reform and microcosmic reform with macrocosmic reform, work out an overall program of reform which is quite scientific, and give the restructuring of the rural economic system a clear aim and proceed step by step in a planned manner.

II. Tasks and Emphases Regarding Reform

In the present study and restructuring of the rural ecnomic system, various formulations have appeared, such as "rural reform," "rural economic reform," "rural managment system reform," etc. This reflects ambiguity in our conceptions. Because of differing concepts and implications, the tasks, directions and objectives of reform are likewise different. To facilitate reform and probing into the problems, unified thinking is a necessity. There were several views at the symposium regarding the substance of restructuring the rural ecnomic system: one viewpoint held that the rurale cnomic system includes the agricultural economy managmenet system and each link in the chain of agricultural reproduction. One view held that the rural economic system is a realization of the foundation of the rural economy, together with its mutually compatible management system (which includes the management setup, institutions and methods). Most of the comrades think that the scope of the rural economic system is quite extensive, and that it is a somewhat complex concept; included within the rural economic system are the ownership structure and the system for managing the economy. The former reflects a certain position and role of the system of ownership within the whole rural economy, and its mutual relations. The latter points up the institutions and methods for organizing and managing the rural economy, which encompasses the complete system of economic activities to promote policy decision-making, planning, organization, supervision and regulation with regard to production, distribution, exchange and consumption. This setup specifically includes the systems for planning, credit, tax collection, circulation, pricing and control, and the administrative organization.

Based on what is included in the rural economic system and many years of practice, it was the unanimous opinion of everybody that there are defects in

various aspects of China's rural economic system and reform is necessary. But there are differing views on the key points for reform. One viewpoint holds that the key point for reform is the circulation system. Carrying on the joint production contract responsibility system and implementing various rural policies greatly aroused the peasants' enthusiasm toward production, increasing the amounts of agricultural and sideline products and raising the percentage of marketable products. However, impeded channels of circulation have caused relative regional gluts and shortages of agricultural and sideline products, which is manifested in "buying difficulties" and "selling difficulties." Impeded channels are mainly caused by an irrational circulation system. The circulation system presently in place in China exhibits pronounced natural economic characteristics, in addition to having such drawbacks as a single country economy imbued with a government-sponsored style of trade, numerous links in the chain of trade, slow turnover, and "eating out of the same pot." Because of this, trade is not lively and channels are impeded, so we must promote reform. As to how to restructure, somepeople advocate concentrating on reform of the supply and marketing cooperatives, reviving their character as being democratic, flexible and mass in nature, and relying on them, extensively organizing various joint operations, and progressively establishing them as rural economic centers. But others think that although the supply and marketing cooperatives were set up to pool peasant resources, they have presently become commercial enterprises owned by the whole people. With the peasants only accounting for a few percent of their total stock, and basing determination of a person's status in economic life on the principle of ownership, it is difficult to revive the "three characteristics." In view of current experimental projects, reviving the "three characteristics" would be merely nominal. Moreover, if there is still only the single channel of supply and marketing cooperatives, it will not be possible to overcome the defects of a single nation economy and government-sponsored style of trade. Therefore, they advocate devoting major efforts to developing cooperatives and individual trade, under the premise of adhering to state-run trade as the main channel, forming a trade network with many channels, few links, and connecting the cities and countryside, setting up integrated organizational structures at both the county and commune levels, and turning them into trade organizations of a regional nature providing information and guidance on grassroots level production and consumption.

Another viewpoint holds that the key point for the current reform is the price system because the present pricing problems have become important factors hindering commodity production and circulation. Under the situation of irrational price parities among various agricultural products and between industrial and agricultural products, some peasants want to plant products which bring high crop prices and large profits, thereby resulting in blind production and influencing the coordination and development of various lines of business. Therefore, it is essential at present to restructure the price system and utilize the price lever to regulate profits among the various departments and regions, and control production.

There is yet another viewpoint which holds that the focus of reform should be on readjusting the structure of the rural economy. Because the rural areas are at present simply in the position of engaging in agriculture and suppling raw

materials, abundant natural resources and labor resources cannot be rationally utilized and economic benefits cannot be increased on the one hand; on the other hand, farm by-products cannot be processed and handled in a timely manner, particularly under conditions of large increases in the amounts of commodities, bringing about large losses for the producers. For this reason, the they advocate changing the economic structure of single-product management, permitting peasant-run industry and trade, and travelling the way of comprehensive management of agriculture, industry and trade with integrated production, processing and marketing.

A further viewpoint holds that the key point for reform is the planning system. Because the circulation system, pricing system, and the economic structure all are conditioned by the planning system, we need only solve the problems of the planning system and problems with circulation, pricing and the economic structure will be solved as well. The chief defect in the planning and administrative setup in the rural areas of China is excessive management, stifling control, and ignoring the role of the market. We should integrate planning with the market, and implement an economic system which emphasizes a planned economy while making regulation of the market subsidiary. Specific measures are: carry out informed planning for production and distribution of products affecting the nation's economy and the people's livelihood, such as grain, cotton and oil-bearing crops; implement directed planning for some relatively important and scarce products; the producers arrange by themselves the production and marketing of ordinary products of small output value and numerous varieties based on changes in market supply and demand.

Aside from these, there is also a viewpoint which holds that the key point for reform is to continue, stabilize and perfect the production responsibility system. We need to seriously study and solve many new problems such as transfer of land contract and new joint economic bodies, otherwise the upsurge of enthusiasm of the peasants may be dampened. It is therefore advocated that we center on stabilizing and perfecting the production responsibility system, and correspondingly restructure some irrational systems.

III. Problems With Regard to Setting Up Rural Economic Organizations

A chief element in restructuring the rural economic system is to separate government administration from commune management. The object of "seperate establishments" is to free the "communes" from being subsidiary to the organs of government administration so they can become relatively independent economic units, and engage in management activities on their own in accordance with the requirements of economic laws. But in view of present experiements, most economic organizations set up in the villages are merely nominal. On the contrary, compared to before reform, the organs, administrative levels and personnel are more numerous, and the burden on the masses heavier. For this reason, some people suggest that economic work in the villages still be divided among the village government personnel to complete, and not set up other nominal economic organizations. Still other people think that village economic work is complex, directed at higher as well as lower levels, and for this reason there is a need to set up an economic organization of an administrative nature to plan the economic activities of the village as a whole and

administer them accordingly, develop economic contacts, and provide information. In the wake of economic development, this organization for economic administration can progressively become an economic entity.

As for the economic functions of production brigades and production teams, because of implementation of the production responsibility system, part of them transferred up to the village government and part were transferred down among the varioius contract household workers. Therefore, part of the comrades thought that two levels of organizations could be combined into one or that one level could be abolished. This would facilitate cutting down the organization, reducing administrative levels and lightening the burden on the peasants. However, some comrades felt that neither abolishing nor combining were desirable because no matter whether now or in the future the object of labor on the land is always agricultural production. After implementation of the joint production contract responsibility system management is still both united and divided; each commune member still must carry on production and live in a certain region or under a certain organization. Therefore, there must still be regional coopertive economic organizations which make land central, and the present economic organizations at the production team and brigade levels still cannot be abolished or combined.

IV. Principles Regarding the Objective Foundation and Required Perseverence for Restructuring

Everyone thinks that restructure of the rural economic system is a major change in production relations and superstructure, dealing with broad areas and complex issues. To successfully engage in this work we must clarify the principles of the objective foundation and the persistence required for restructuring.

The majority of comrades think that the foundation for restructuring the system are the basic principles of Marxism that production relations must definitely adapt to the nature of the productive forces. The economic system is part of the category of production relations; a certain economic system must adapt to a certain level of productive forces and serve to develop those productive forces. Therefore, the sole criterion of whether or not the economic system is adapted to the nature of the requirements of the productive forces is to judge whether or not it is rational. In carrying out restructure of the rural economic system, we utilize this principle to judge what must be restructured and what to strengthen and develop. Only in this way can we be clear about the direction and aim of reform and avoid detours and working in circles.

Our purpose in restructuring the rural economic system is to overcome the defects of the original system, and set up a socialist rural economic system capable of promoting development of the productive forces, and having Chinese characteristics. Everybody felt that to achieve this purpose we must stick to a few principles: the first is to adhere to socialism's public ownership of the means of production, a planned economy, and distribution according to work; the second is to adhere to the principle of giving consideration to the interests of the state, the collective, and the individual; the third is to

adhere to the principle of being practical and realistic. China's rural areas are vast, the natural conditions, economic conditions and management levels of the different localities vary from place to place, contradictions in the rural economy of the various localities are different, and the problems which need to be solved are not the same. For these reasons, in reform it is necessary to proceed according to the practical situation of each place, and we must not under any circumstances act like a swarm of bees, carry on "arbitrary uniformity" or a single pattern, or set up a mere framework or skeleton.

V. A Few Recommendations

The group put forth a few recommendations on how to successfully carry out restructure of the rural economic system:

1. In order to adapt to commodity production and solve the problems of "difficulties in buying" and difficulties in selling" in the rural areas, it is proposed that purchase and sales policies for agricultural by-products be readjusted, and that we permit many channels of operation and eliminate unnecessary restrictions on the peasants' products after they have fulfilled state assignments.

2. In order to give full play to the advantages of comprehensive management of agriculture, industry and trade, it is proposed that joint agricultural, industrial and commercial enterprises be regarded as economic organizations on the same level, and planning, public finance, banking, material and circulation departments at all levels should enter into planning with them.

3. Through several years of experimentation and study, some units have accumulated a certain amount of experience in reform; for guidance purposes, it is hoped that on this foundation the state will draw up an overall plan as quickly as possible for restructuring the rural economic system.

4. Since restructure of the rural economic system is expanding from microcosmic reform to macrocosmic reform, is including more and more things all the time, the areas touched upon are becoming increasingly broad, and issues are becoming more complex, in order for restructuring to proceed under leadership in an orderly and organized manner, it is proposed that government at all levels set up offices for restructure of the rural economic system to specifically lead and administer this work.

5. Since restructure of the rural economic system is both a practical problem and touches upon many theoretical ones, we must earnestly study and explore. For this reason, it is proposed that we establish a "study commission on restructuring the rural economic system," recruit theoretical workers and practical workers to conduct research, set a date for a symposium, and issue r research reports for reference when the leadership makes policy decisions.

12513
CSO: 4007/191

OPERATION OF MILK, BUTTER PROJECT EVALUATED

Beijing RENMIN RIBAO in Chinese 14 Jun 84 p 2

[Article: "The Six-city Milk Development Project Between China and the Food and Agriculture Organization of the United Nations Is Developing Smoothly"]

[Text] The 4,000 tons of nonfat milk powder and the 1,333 tons of dehydrated butter provided gratis by the Food and Agriculture Organization [FAO] of the United Nationswere already transported to Tianjin at the end of last month.

According to the plan, the FAO will provide gratis, over the 5-year period from 1984 to 1988, assistance in the form of 40,000 tons of nonfat milk powder and 13,330 tons of dehydrated butter to the six cities of Beijing, Shanghai, Tianjin, Wuhan, Nanjing and Xian with a total value of U.S. $60,230,000. The six cities will reconstitute these materials into liquid milk for marketing.

The six-city milk development project had been endorsed by the 15th Session of the Food Support Policy and Planning Conference convened in May 1983. By the end of last year, this particular project altogether had utilized funds of over 110 million yuan, taking up one-fourth of the total investment for the project, completing a land construction area of 25,000 square meters and at the same time procuring a set of facilities. The FAO has expressed satisfaction with the progress made on this project so far.

At the moment, the first batch of support materials has already been transported to the six cities. In the near term they can be processed into milk at dairy product factories in the six cities and put on the market, enabling the average quantity of milk supplied to increase over 50 percent.

12643
CSO: 4007/181

PEASANTS' ENTRY INTO COMMODITY CIRCULATION DOMAIN EXAMINED

Taiyuan SHANXI CAIJING XUEYUAN XUEBAO [JOURNAL OF SHANXI COLLEGE OF FINANCE AND ECONOMICS] in Chinese No 3, May 84 pp 5-7

[Article by Shi Zengquan [4258 1073 2164]: "Trial Discussion of the Two Key Properties of the Situation in Which Peasants Have Entered the Commodity Circulation Domain"]

[Text] Following the healthy development in depth and breadth of the agricultural responsibility system, some peasants have entered the commodity circulation domain to specially engage in commodity circulation and become specialized households in buying and selling, thereby causing changes in the economic structure of agriculture, and a new situation has appeared in which components of a diversified economy exist side by side. This is favorable for promoting the development of the rural commodity economy and raising the commodity rate of agricultural products; it has further dredged channels for commodity circulation between town and country, solved the problem of peasants' finding it "difficult to buy and difficult to sell," and promoted the rapid development of specialized households and key households that engage in aquatic breeding, planting, weaving, and other industrial and sideline occupations; and at the same time it has also opened a new way for the peasants to create wealth through labor.

However, like other things, it has two key properties, namely a positive side and a negative side. To correctly understand these two key properties is of important real significance for better implementing the economic policy so that it goes in the correct direction, continues to play a supplementary role, is lively but not disordered, is controlled but not inflexible, and promotes what is beneficial and abolishes what is harmful. This article discusses below one individual's superficial view of the two key properties of the situation in which peasants have entered the commodity circulation domain which, of course, also contains other individual businesses).

I

The decision was made to have peasants enter the commodity circulation domain "because the level of development of our country's productive forces is, generally speaking, still comparatively low and also very unbalanced,

and for a long time we will need many forms existing side by side simultaneously" (quoting from the second part of the 12th CPC Congress' report), and it is an objective demand for the development of socialist commodity production.

Our country's economic structure is one in which many components exist side by side. The many components of the economic structure determine that commodity production will have many layers, and thus leads to many forms of commodity exchange. Our country's economy is one in which planned economy and commodity economy exist side by side, but it is also true that the commodity economy, following the constant raising of the develop-] ment of the productive forces, will gradually make the transition to the planned economy. Therefore, in the production and exchangeof the commodity economy, we must insist on the form of regulation in which the plan's regulative role and the market's regulative role are combined, with the former being primary. Because of these basic characteristics of our country's real economy, for peasants to enter the commodity circulation domain as individual businessmen is an inevitable tendency in the development of commodity production and is also a regular phenomenon of socialism.

Our country's commodity production is very underdeveloped, and in particular the agriculture commodity rate is very low. In its 1 billion population there are more than 800 million peasants, and the net commodity rate of grain is only 15 percent, and other agricultural and sideline products are fragmented and scattered. The commodity exchange in rural areas must still be basically carried out according to the formula of W-G-W, and it is still under the guidance of the planned economy, being a transitional stage from the natural economy to the commodity economy. After the 3d Plenary Session of the 11th CPC Central Committee, under the guidance of the party's correct line, in order to open broad vistas for developing agricultural commodity production, the development of this transition was greatly accelerated and the commodity rate rose markedly. In Shanxi Province, grain priority households account for 0.9 percent of the total number of agricultural households, but they supply 24 percent of the commodity grain and the commodity rate here has reached 48 percent. In Yuncheng Prefecture, grain priority households account for 6.8 percent of the total number of agricultural households, but they supply 56.6 percent of the commodity grain and the commodity rate has reached as high as 72 percent. Under these circumstances, a thriving new situation has appeared in the urban-rural country fair trade. In 1979, in the whole area of southeastern Shanxi, there were only 67 country fair trade points and their annual voluem of business was only 21.79 million yuan, with every member of the agricultural population putting on the market an average of no more than 5.5 yuan worth of commodities. By 1982, the number of country fair trade points had increased to 109, with each county having close to 7; the annual volume of business reached 68.35 million yuan, accounting for 11.5 percent of the total volume of the retail sales of social commodities, a three-fold increase over that of 1979; and every member of the agricultural households on an average supplied over 17 yuan of the amount of commodities put on the market, a more than two-fold increase over that of 1979. Truly, commodity production determines

commodity exchange, and commodity exchange has a counteraction on commodity production. That country fair trade was able to have a fairly big development was because agricultural commodity production provided it with the material foundation for exchange; conversely, the new changes in country fair trade also promote the forward march of agricultural commodity production. Even if this is the case, the problem in rural areas of finding it "difficult to sell and difficult to buy" has not been completely solved, and this indicates that exchange is still unable to adapt itself to the scale and speed of production development. The social division of labor leads to exchange, and commodity exchange impels some peasants to leave agricultural production and concentrate on engaging in commercial activities. Therefore, specialized households that buy and sell agricultural commodities have emerged as the times require.

Our country is a big country with a large population, vast territory, backward production, "poverty and blankness", and also 800 million peasants. The development between areas is very unbalanced and the requirements of the people for tens of thousands of commodities for production and life are not the same but rather highly different. Under these circumstances, it is difficult to have all of economic life follow the demands of the planned economy to carry out planned production and exchange. Starting from this reality, we can only put it as Comrade Chen Yun pointed out: "in the industrial and commercial economy, the state economy and the collective are the main part, but attached to it is a certain amount of the individual economy. This individual economy is a supplement to the state economy and the collective economy. As for production planning, the main part of the country's industrial and agricultural products is produced according to plan, but at the same time a part of the products is freely produced according to market changes and within the scope permitted by the state plans, and is a supplement to planned production .... In the unified market, the state market is its main part, but attached, within a certain scope, is a free market led by the state. Under the state's leadership, this free market acts as a supplement to the state market, and therefore it is a component part of the socialist unified market." (quotation from the draft anthology of Comrade Chen Yun's writings, published by the People's Publishing House, 1980, page 12) Therefore, state policy permits peasants to enter the commodity circulation domain.

II

Obviously it is not sufficient to only understand the objective inevitability of peasants' entering the commodity circulation domain; it is also necessary to further probe and study the two key properties of this situation. Having a comparatively clear-headed understanding of this question will be advantageous for the correct and thorough implementation of the party's and state's policy of having parts of the diversified economy exist side by side, and will better guide the individual economy to fully play its supplemental role in the economy.

The peasants' entrance into the commodity circulation domain in itself possesses two key properties, and it was caused by the existence side by side of our country's planned economy and commodity economy, and the existence side by side of the structure and forms of the diversified economy. Like contradictions, these two key properties are a unity of opposites. The forms in which they are manifested are: one is that it is conscious, and, in accordance with the demands of the state policy and the management of the planned economy it correctly plays a supplementary role in the enlivening of the economy and developing commodity production; and the other is that it is spontaneous, and this is a negative factor, and even in certain aspects has a destructive effect on enlivening the economy and the development of commodity production.

Speaking of the economic part of peasant-managed commerce, it is an individual economy. However, this individual economy is essentially different from the individual economy of capitalism, and is also different from the individual ownership of our country's socialist three big transformations. The actual individual enterprise possesses a socialist nature. This is because: 1) it is labor under the socialist system of public ownership; 2) it is an individual enterprise engaged in under the guidance of the planned economy, and is not a state of anarchy; and 3) as for the person engaged in it, he is both a laborer and the master of the state, this being determined by the nature of the people's regime of the dictatorship of the proletariat under the socialist system, and these characteristics, from their internal causes, determine that he possesses a consciousness of maintaining the direction of socialism and of executing state policies and being subordinate to the management of the planned economy. Speaking in general terms, this is the essence and main aspect of the thing.

However, it must be seen that the commercial activities of country fair trade (including long-distance transport) are restricted by the law of value under the conditions of the commodity economy. The law of value itself possesses spontaneity, and it has an effect on the regulation of social production through the relationship between supply and demand on the market, and prices are passively fixed centered on the rise and fall of value. It has two striking characteristics: one is spontaneity, and the other is indirectness (its regulation of production is indirect). Today's country fair trade is basically affected by the law of value. If there are more of a market commodity its price will drop, if there is less of a market commodity its price will go up. At the same time, an individual business possesses wide-ranging social relationships, its circulation period is short and it is fairly easy to make profits by passing on and buying and selling. In its business activities there exists identity and contradiction in many aspects for the demand to enliven the economy and develop commodity production. For example, in its business goals, no matter what the subjective desire is, objectively it promotes commodity production, further dredges circulation channels, solves the problem of some peasants' finding it "difficult to sell and difficult to buy," and plays a supplementary role in improving the peasant's life and enlivening the urban and rural economy. All of this is identical with the demands of the planned economy. However, in another aspect a

contradiction with the planned economy occurs, prominently manifested in its contention with the state to buy one or two types of agricultural and sideline products and commodities in short supply. In 1983, some valuable and commonly used Chinese medicinal herbs were purchased, and in southeastern Shanxi fresh eggs became in short supply and the state plan was not fulfilled. One important reason for this was the above-mentioned contradiction. With regard to the ways of management, the management patterns of individual commerce are flexible and varied. Business hours are long, service attitude is good, purchases are made at the door, goods are delivered to the door, and things are made convenient for the masses. All of these things are identical with the aims of socialist commerce. However, using trickery to a corner a market, driving up prices, illegally buying up state-controlled commodities and then reselling them for exorbitant profits, overstepping the authorized scope of a business, and other violations of regulations governing market management, which harm the interests of the producer and the consumer, regularly occur. They are in contradiction with the socialist direction of running business and with commercial morality. Again, with regard to obtaining income from running a business, most individual businesses are able to implement the state's policies on prices (including negotiated prices of a guided nature) and on tax revenue, and with legitimate means and legitimate ways obtain legitimate income. This is identical with the state's policies. However, because of the spontaneity of these businesses, coupled with the fact that some people seek profit in everything, the bad habit of only looking at "money" is fairly strong. Therefore, in business activities, the contradictions with the state's policies are fairly prominent. Either taxes are evaded to harm the state and enrich the individual; or goods are exchanged at unequal prices, buying low and selling high, and adulterating the good with the false to obtain illicit income; or even worse, by means of sending gifts as bribes cadres are corrupted into bad practices and even more colossal profits are sought.

III

Following the rapid development of the commodity economy, especially the production of agricultural commodities, a large number of specialized households, priority households, as well as other specialized economic combinations, have appeared in the rural areas. Commodity exchange is becoming to seem more and more important, and the supplementary role of the individual businesses of the rural buying and selling specialized households is becoming more evident day by day. Therefore, in handling the entrance by the individual peasants into the commodity circulation domain and other individual economies, we should pay attention to the two key properties they possess, and adopt a policy which promotes what is beneficial and abolishes what is harmful and which both supports and manages them, so that they will appropriately develop by following the track of socialism.

Support means, as always, to give them conveniences and support in the supply of goods, funds, and places. The comprehensive service centers of rural commerce should provide the buying and selling specialized households with timely information and market quotations, guide and help them to

initiat buying and selling activities, and play their active supplementary role in enlivening the urban and rural economy and developing commodity production. At the same time, we must run well the associations of individual laborers and protect the legitimate rights of individual businessmen who are operating properly, and there must not be any discrimination against them or the creation of difficulties for them.

Management means to manage and restrict their spontaneity, educate the individual businessman to observe discipline and obey the law, manage his business in a civilized way, accurately pay taxes according to law, and obey market management and industrial and commercial management. The commodity price, tax, public security, and judicial departments must coordinate their work and apply administrative and legal measures to strictly control the business scope, buying and selling prices, long-distance transport, execution of contracts, and industrial and commercial registration of the individual businessman. We must severely crack down on the illegal criminal activities of cornering a market by trickery, driving up prices, and sending gifts as bribes. Commercial, supply and marketing, and grain departments must take part in country fair trade, both tuying and selling important commodities. By the use of economic levers and the readjustment of surpluses and shortages, prices will be kept down. Tax revenue management urgently needs to be strengthened; if a tax department discovers tax evaders among the buying and selling specialized households upon whom taxes are being levied on high incomes, they must be seriously dealt with in order to insure that the interests of the state are not harmed.

In addition, we must strengthen the building of the market management departments themselves, and they should set up strict responsibility systems and educate market management personnel to be honest in performing their official duties, each one attending to his own duties, so as to insure the thorough implementation of the state's policy on market management.

9727
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CONFERENCE ON RURAL WORK-STUDY PROGRAM OPENS

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[By reporters Wang Wenlian and Chen Meifeng]

[Text] Changchun, 14 August (XINHUA)--A national conference to exchange experiences in work-study programs in rural schools opened in Changchun on 13 August. The conference pointed out: As China's rural areas have entered a new historical period of commodity production, it is necessary to reform rural education and carry out the pressing task of training a large number of new, quality producers and managerial personnel for rural economic construction.

According to statistics, in 1983 primary and secondary schools throughout the country earned a net income of 289.16 million yuan from farms, forestry centers, and other work-study programs. The experience of various localities has proved that work-study programs run by rural schools in combination with local production has offered a practical training ground for agricultural technical education, provided qualified new students for schools at next higher level, fostered a large labor reserve force with a certain level of scientific knowledge for rural construction, raised the quality of the peasants, and trained and improved a number of specialized teachers. However, work-study programs have developed unevenly among rural schools. Serious problems remain caused by rural education's failure to meet the needs of rural economic construction.

A representative from the Jilin Provincial Education Department emphatically pointed out in a speech on 13 August: 1) It is necessary to raise ideological understanding continuously and concentrate work-study programs on rural schools. 2) It is necessary to develop work-study programs in line with the requirements for modern agriculture and commodity production. 3) It is necessary to combine education with production and manual labor and train skilled personnel through work-study programs. 4) It is necessary to intensify supervision and study, and to strive to make work-study programs regular scientific activities.

Through visiting the sites of various work-study programs and exchange experiences during the conference, the participants will, by integrating theory with practice, discuss the position and role of work-study programs run by rural schools in rural educational reform and will study measures and methods for

setting up more work-study programs in rural schools in the light of the actual situation in each locality in order to train new, quality producers and managerial personnel for rural construction.

The conference is being held under the auspices of the Education Ministry. Attending the conference are responsible persons of education departments (or bureaus) of all provinces, autonomous regions, and municipalities and representatives from advanced rural schools. The State Planning Commission, the Central Greening Commission, the Forestry Ministry, the Ministry of Agriculture, Animal Husbandry and Fishery, and the Central Institute of Educational Sciences also sent representatives to the conference.

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PROMOTION OF HOG RAISING INDUSTRY URGED

Beijing NONGYE JINGJI WENTI [PROBLEMS OF AGRICULTURAL ECONOMICS] in Chinese No 3, 23 Mar 84 pp 58-59

[Article by Zhang Kexin [1728 0344 2500], Beijing College of Business: "Revive and Perfect the Policy of Awards for Selling Hogs and Spur On the Hog Raising Industry"]

[Text] Hog production in many of China's provinces and prefectures is declining at present. In Henan and Hebei, hog production has dropped to 1966 levels. There are, of course, many causes for the drop in hog production: factors relating to a decrease in collective hog raising; problems of contending for feed after distribution of large livestock to households to raise; with several years of alleviating contraditions of live hog supply and demand, the party and government in some prefectures has slackened leadership in hog production; impeded channels of circulation, and "difficulties in selling hogs" have dampened the peasants' enthusiasm for raising hogs. But I think the key problem is the reduced economic earnings of the hog producers, and decreasing awards and subsidies received by the peasants for raising hogs. This constitutes an important reason for decreased earnings from hog raising. Therefore, reviving and perfecting the policy of rational awards for selling hogs is an important measure for curbing the present drop in hog production.

Awards for sales is an important economic policy. The policy of awards for hog sales is a powerful economic lever for urging the peasants to fulfill state purchase assignments. Two prices obviously exist in the present market, and there is a definite disparity between the market price and the list price. This necessitates adopting measures to encourage and reward production, and to serve as a value compensation in kind between the two prices so as to motivate the peasants to raise hogs and sell them to the state. Many years of practice also proves that the policy of awards for sales has played a fine auxillary role in carrying out the policy of assigned purchases of hogs.

However, in the wake of widespread practice of the joint production contract responsibility system, there has been a series of changes in the rural economy. The present policy of awards for selling hogs is no longer suited to the changed production relations in the countryside; its unsuitability is manifested in three areas as follows:

1. The substance of the awards for sales is not the most rational.

With respect to substance in the policy of awards for sales, we should award what is urgent to the peasants and sell what the peasants need. Only in this way can the policy of awards for sales be effective. In the past, because of the relatively tight supply of grain in the countryside and inadequate supplies of cotton cloth, the peasants would accept awards of grain and cloth. Now that there have been bumper harvests of grain and cotton for years running and permits for cloth have been abolished, the awards goods and materials urgently needed by the peasants are beginning to change from domestic goods to production and construction materials like chemical fertilizer, diesel oil, bricks and tile, lumber, and cement. With regard to the material awarded to the peasants for sales, the state has failed to adjust somewhat and change according to the developing production conditions in the rural areas. This is the first area where adaptation has not taken place.

2. There is a single method of awarding sales, which lacks flexibility.

The present policy of awards for sales is still based on awarding grain for hogs and engaging in "arbitrary uniformity" without considering distinctions among the producers or differences in seasons and places. There has appeared a large group of households specializing in hog raising in the wake of the development of commodity production in the countryside. There are differences between these and ordinary households engaging in sideline production of hogs on an individual basis in terms of productive capacity and requirements. What the individual households think about are agricultural production materials which are in tight supply or lacking, such as chemical fertilizer and small farm implements; what the specialized households need most are services in the area of technology for livestock raising and epidemic disease prevention and cure to speed up the cycle of producing hogs for slaughter, and timely marketing and earnings to spur on commodity production of hogs. In the summer, the peasants experience "difficulties in selling hogs;" in the winter, the state experiences "difficulties in purchasing hogs." In remote districts and areas where there are few hog resources, the peasants' hog raising costs are high, the return is low, and they sell the hogs one after another to merchants and butchers. The state's policy of awards for sales cannot accommodate differences in people, seasons and localities. This is the second area where the policy is unsuitable.

3. Local measures to encourage and reward, and subsidies to collectives have been abolished.

In addition to implementing the policy of awards for sales set by the state, various areas adopted many subsidy measures in the past to encourage commune members to raise hogs. In some districts, there was about a 100 yuan subsidy to the collective for each hog raised. A peasant could count as a person a hog he was raising, be allotted both grain and vegetables, and receive money for price differences. Now, in the wake of changes in agricultural production relations, collective subsidies are being abolished one after another. Whereas one could receive remuneration in the past for collecting farmyard manure from hog raising and handing it over to the production team, now one can only spread it on his own fields. Whereas in the past some commune brigades prescribed that when live hogs were sold, awards for sales were on the basis of a jin of grain for a jin of pork. This is no longer the case. Peasant earning from

raising hogs have suddenly declined, yet the state's policy for awarding sales has not changed in response to this. This the third area where the policy is unsuitable.

In light of present changes in the form of hog raising management, as well as problems in carrying out the policy of awards for sales, I think we should adopt the following relevant measures:

1. The variety of awards for sales must satisfy needs. Awards for hog purchases should be integrated with exchange of manufactured goods in accordance with the changing needs of the peasant households. We must distribute goods to be used for agricultural production which have been approved by the successive administrative levels, such as chemical fertilizer, diesel oil and agricultural machinery, as well as manufactured goods for daily use which are in great demand such as bicycles and sewing machines of well-known brands supplied to the peasants through the channel of awards for hog procurement sales to motivate the peasants to sell hogs to the state. This would not expand the distribution quota, and would promote the flow of goods and materials betwen city and country. We could adopt the method of allowing the selection of one among a wide assortment to satisfy the distinctive requirements of the different producers. 2. The standards for awards for sales must be rational. It is not adviseable that the variety of awards and their amounts be unduly small, nor excessively large. At the very least, peasants should have reasonable earnings, and at most they should be able to compensate for the difference between the list and market prices for commodity hogs. The standards for awards should not be "arbitrarily uniform;" rather there must be differences according to seasons and localities. Because there are marked seasonal contradictions between hog producti n and social consumption, and since we haven't implemented seasonal price diff nces in the present purchase and sale price of hogs, I think that, as far a the policy of awards for sales is concerned, we could set differences in s ndards for awards for hog production and marketing during slack and peak seasons (we could differentiate scales for awards), which means spring-born hogs for winter slaughter should be rewarded more; winter-born hogs for summer slaughter should be rewarded less. Moreover, we should give priority consideration to the scope of awards in remote districts and those with few hog resources, and could properly relax the awards standards. 3. In the policy of awarding sales by specialized households, emphasis should reflect feed supplies. Households specializing in hog raising are the embryo of specialized, commodity hog production in China. The policy of awards for sales must be adapted to their characteristics and facilitate their management. The inability to supply the demand for feed is the biggest headache for the specialized households at present; commerce departments should focus on ensuring feed supplies for these households. State-run food companies should link up with the grain companies for planning feed supplies and allot supply quotas to the specialized households. The feed companies should organize supplies on the basis of th plan. In determining the feed supply plan, we should first take as a base the total amount of each variety of feed. After the grain sources have been ensured, we could make a rational determination based on the number of hogs being raised. We must adopt parity in feed prices and diversify the variety of feeds to guarantee the development of commodity hog production.

12513
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NATION'S FOOD SITUATION, IMPORT OF GRAIN, PART I

Tokyo KOKUSAI SHIGEN in Japanese 1 Apr 84 pp 14-19

[Text] China holds one-fourth of the world population, and 80% of its population are engaged in agriculture. Their cultivated land occupies 7% of the cultivated land of the world, and they are taking an important rcle in the grain production, its consumption and its trade of the world. Therefore, China's making a favorable turn in food situation will greatly contribute to resolve the food problem of the world.

I have examined IWC (International Wheat Committee)'s report "Long-Term Grain Outlook" which was presented last year's summer, and I have analyzed the food situation of China and its grain import in order to foresee the future. On this paper, I would like to talk about the present day food situation of China. For the term 'grain' I used here, I encluded potatoes and beans.

I. China's Food Situation

In China, approximately 250 million tons' grain were consumed during the year 1980. It is about 17% of the total grain consumed in the world during the same year. The traditional patterns of food consumption of the Chinese people are: 1) They consumed the grain without grinding. 2) Their per capita meat consumption is relatively low. However, if the growth of their living standard continues to grow, their eating habit will gradually become similar to the western style which is characterized in consuming the grinded grain.

A. Main causes which affect the demand of grain

1. Increase of the demand of wheat in the total demand of grain

In the food consumption of the Chinese people in the recent years, the demand of the wheat is remarkably increasing. In 1960, the consumption of wheat was about 19% of the total grain consumption in China. However, it increased up to 29% in 1980. This was caused by the fact that the eating habits of the city people became westernized and the consumption of the wheat has increased taking the place of the consumption of

other row grain. This tendency is expected to continue. This increased demand of wheat is partially met by the increased production of wheat in China (the production doubled within these 10 years), but in the big coastal cities where the population density is high, the demands are met by the imported wheat.

2. Increase of the demand of meat

The consumption of the animal protein by the Chinese people is still low compared to the advanced nations. However, the amount of meat consumption is gradually increasing as the per capita income is increasing. (Per capita meat consumption in 1978 was 8.9 kg, but it increased to 12.53 kg in 1981.) The demand of grain for livestock is increasing and it is expected to continue to grow. It is considered as one of the main causes to stimulate the increasing demand of the grain.

3. Increase of population

The increase of population causes directly the demand increase of grain. The population of China in 1952 was 575 million people, but it reached 1 billion and 817 people (excluding Taiwan and Hongkong) at the end of 1982. The population doubled within 30 years (annual increase ratio during these years was about 1.98%). If the population will continue to increase on the same pace as it is, the supply of food may not be able to meet the demand increase in the near future. For this reason, the Chinese Government is now enforcing a rigid birth control so that the population of China will not exceed 1.2 billion by the year 2,000. In order to achieve this goal, China must hold down the natural population increase within annual increase rate of 1%. However, the supreme order to increase the food production is encountered by the shortage of working hand in the farms. Also, those age bracket people who were born at the time of higher birth rate, are now reaching the age of parenthood. Therefore, there are many obstacles expected in order to achieve the goal. Then, the demand for the grain will increase more and more in order to meet the increase of the population.

B. Trend of the food production in China

The recent agricultural production of China is remarkably increasing in the area of agricultural commodities such as cotton. The increase of food production stopped temporarily in 1980, but it recovered steadily and it reached a record high production of 353.43 million tons in 1982. (See the reference table 2) The followings are the analysis made in the practical aspect and in the structural aspect.

1. Structural reinforcement of the agriculture in China (see the reference table 5)

The characteristics of the traditional agriculture in China is the agriculture operated by the collective labor. In the recent year, the mechanization is progressed and the irrigated lands are increased. However, the total area of cultivated lands is gradually reducing due to the increase of the industrial lands. In 1957, there was a total cultivated lands of 111.83 million Hectares, but it reduced to 99,40 million Hectares in 1978. However, the percentage of the land use (productive land/cultivated land) has increased from 141% to 151% and the food production also has increased from 195.05 million tons to 304.77 million tons during these years. As these indications clearly show, increase in the food production in China is resulted from the increased usage of the cultivated land and by the increase of per acre production. Along with such an effort to improve the usage of the cultivated land, the up-dated technology is positively introduced. For example, the amount of the chemical fertilizer used in 1982 was 15,134 million tons, and 9% increase is expected in 1983. The total horsepowers of the agricultural machinery used in 1982 was 225.89 million h.p. The total numbers of tractors quadrupled in the last 10 years. Also, as the result of the improvement made on the seedling, a stabilized harvesting can be expected without too much interference of the weather conditions.

2. Change of quality in the agriculture of China

In light of the past failure of the agricultural policy in which the rational production was ignored under "Great Progress" and "Cultural Revolution", the leaders of China have adopted a chain of new economic policy which is based on the introduction of "Responsible Production" and "Raise of the producer's price of the agricultural products".

a. Responsible production

This system has been experimentally introduced since 1978, and it has now been widely adopted and by fall of 1982 90% of the farmers are using this system. As a result, the collective farms which are represented by the "People's Corporation", are now reduced to a mere skeleton. There are a variety of forms in the "responsible production" system. The most typical form is that the farm land is provided to a unit of farmers which is composed of one to three families, and the use and administration of the farm equipment and cattles are entrusted to them. After the harvesting, the agricultural tax and the delivery quota are collected by the government. Then, the rest will be the portion which the producer can keep after the reserve portion.

The characteristics of the agriculture of China today is that the agricultural works are done by the family units.

This is closely related to the reason why the "responsible production" system has rapidly grown in China. As it is explained in the part a. of the section 2, the traditional agricultural system of China is a collective farm labor and it depends greatly upon the manual labor. Therefore, the "responsible production" system fits the agricultural system of China which is efficiently operated by the family unit. Also, this "responsible production" system stimulated the economical insentive of the farmers of China where the income level is yet low. Therefore, this system was welcomed by them.

Table 1. Total agricultural production, total food production, population increase (Based on 1952)

Year	Total agricultural production	Total food production	Population
1949	67.3	69.0	94.2
1952	100.0	100.0	100.0
1978	259.1	185.9	167.5
1982	306.6	215.6	176.6

Table 2. Amount of production of major agricultural products (Unit: 100 thousand tons)

Year	Food production	Details				
		Rice	Wheat	Corn	Soybean	Potatoes
1949	11,318	4,865	1,381	-	509	985
1952	16.392	6,843	1,813	1,685	952	1,633
1957	19,505	8,678	2,364	2,144	1,005	2,192
1965	19,453	8,772	2,522	2,366	614	1,986
1978	30,477	13,693	5,384	5,595	757	3,174
1979	33,212	14,375	6,273	6,004	746	2,846
1980	32,056	13,991	5,521	6,260	794	2,873
1981	32,502	14,396	5,964	5,921	933	2,597
1982	35,343	16,124	6,842	6,030	904	2,668

Table 3. Per capita production of major agricultural products (Units: kg)

Year	Food	Cotton	Vegetable oil	Meat	Marine products
1949	209	0.82	4.735	-	0.9
1952	288	2.29	7.37	5.95	2.9
1957	306	2.575	6.585	6.25	4.9
1965	272	2.935	5.07	7.7	4.15
1978	318.5	2.265	5.455	8.95	4.85
1979	342.5	2.28	6.64	10.95	4.45
1980	326.5	2.76	7.84	12.3	4.6
1981	327	2.985	10.27	12.7	4.65
1982	350.5	3.57	11.725	13.4	5.1

Table 4. Growth ratio of major agricultural products

Item	Ratio of production in 1982 compared to 1978	Annual growth ratio (%)
Food	116.0	3.8
Cotton	166.0	13.5
Vegetable Oil	226.5	22.5
Meat	157.8	12.1

However, there are unresolved parts within this system for the future. Those are: 1) The "responsible production" system is producing an effect contrary to the population control policy of the Government. 2) Under the socialistic system, there is a limit for development of such a system as a "responsible production".

b. Raise of the producer's price of the agricultural products

This policy ironically produced a negative effect on the production of grain. It became one of the causes of China's large amount of grain import. In other words, as a result of raised producer's price, the production of consumer farm products and cattles were stimulated and rapidly increased. On the other hand grain production recorded a decrease in 1980. One of the reasons is because the government has been encouraging "suitable products in the suited land" and "multiple agricultural management since 1979. However, the producer's price has not been raised due to financial problems of the Government, and the production of grain has been recovered and recorded the highest in the history in production in 1982.

Table 5. Transition of cultivated area (A), amount of chemical fertilizer used (B), total HP of agricultural machinery.

(1)	(2)	(3)	(4)
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	3,305.5	194.2	1,494
[illegible]	4,496.5	884.0	15,975
[illegible]	4,500.3	1,086.3	18,191
[illegible]	4,488.8	1,269.4	20,049
[illegible]	4,457.4	1,334.9	21,319
[illegible]	4,417.7	1,513.4	22,589

Key:
(1) Year
(2) 10 thousand m^2
(3) 10 thousand tons
(4) 10 thousand HP

c. Present situation of food production and its future outlook

Since 1949, food production in China has increased, overcoming various problems. In 1982, grain production increased more than twice as much, from 163.92 million tons to 353.43 million tons. Annual per capita production increased from 288 kg to 350 kg. (See reference table 3.) This shows the gradual improvement of the food situation in China within the past 30 years.

I would like to introduce an interesting hypothesis which shows the mutual relationship between people's diet and grain consumption per capita. However, please note that this is only limited to grain consumption, not to general food consumption

Per capita grain consumption (kg)	Characteristics of eating condition
Below approximately 250	Hunger occurs.
Approximately 300	People can fill their stomaches.
Above approximately 400	Alcoholic beverage will become popular, meat consumption will increase.
Above approximately 600	Alcoholics will increase, and weight reducing industry will grow.
Above approximately 800	Meat will become main food consumption, and grain will become secondary food consumption.

Presently, grain production has been increasing steadily, as it has recorded a historical record high. On the other hand, agriculture in China is now more diversified and farmers who are specialized in consumer agricultural production, such as cattle breeding, make up 13% of total farmers. (See reference table 4.) However, grain consumption is increasing due to the increase in population. Chinese Government has published a realistic target.

Chinese Government has published a realistic target of agricultural production. According to the plan, China is aiming to increase its agricultural production by 2.8 times by the end of this century. Food production should increase to 480.00 million tons from the present amount of 350.00 million tons, which would be a 37% increase. 360.00 million tons of food production can be achieved by 1986, at the end of the 6th "Five Year Plan", due to good harvest in recent years. If food production continues to increase at this present pace, the target set for 20 years ahead, can possibly be attained.

NATION'S FOOD SITUATION, IMPORT OF GRAIN, PART II

Tokyo KOKUSAI SHIGEN in Japanese 1 Apr 84 pp 34-40

[Text]

II. China's grain trade

A. The reason why China became importer of grain

According to the forecast of the U.S. Agricultural Dept., 1983/84 China's grain import will reach about 11.50 million tons, lower than last year of historically highest import record of 15.50 million tons. However, China seems to have been settled as the second largest grain importer of the world, next to Soviet Union. As I pointed out in the previous issue, food production in China is steadily increasing. However, China still needs to depend on the import of grain for the following reasons: (1) It is more economical to import grain in order to supply the food demands of the cities because inland transportation is still not properly provided. (2) In recent years, there has been a demand of feed grain, which cannot be met. Due to an improvement of the quality of diet in recent years the feed grain demand increased, and the supply cannot keep up with it fully.

B. Difference between the "grain import of sixties" and today's import

China started to import large amounts of grain in 1961. Until then, China had been exporting grain. The amount of grain imported in 1961 was about 5 million tons. This import falls into a totally different category compared to the import occurred after 1978. During sixties, import of grain was necessary due to famine caused by natural disaster and the failure of the policy of the "great progress." (During these years, 16 or 17 million people are said to have died of famine.) Therefore, import of grain during these years was an emergency import which enabled the people of China to survive the food crisis. China had to spend its scarce foreign currencies. On the other hand, China's recent grain import is based on political and economical reasons in which China wants to improve the quality of people's eating conditions as well as to import feed grain for the cattles. (See A. 1 of the previous article.)

C. China's position in the world-wide grain import trade

World-wide total of grain import during the year 1983/84 was 98.20 million tons. China imported 13.00 million tons of grain during that year, and it takes 13.2% of the world-wide total import of grain. Also, China imports 2.5 million tons of feed grain. Compared to the world-wide total of 91.60 million tons, China imports only 2.7% of the total. Totaling the figures mentioned above, China's import of grain is 8.2% of the world-wide total, and China is the third place after Soviet Union and Japan.

D. Contents of import

If China continues to import over 10 million tons of grain, the change of the contents of export will be expected. Presently, China is mainly importing wheat. However, the import of feed grain, such as corn, is expected to increase gradually since the production of wheat in China is steadily increasing and the demand of feed grain is increasing owing to the increase of meat consumption in China.

E. Import Agency

China's grain import is handled by the Governmental agency called "Food and vegetable-oil import/export control bureau." This agency is vested the extensive power to decide import price as to compete with other importing Countries. However, unlike Soviet Union, China has never done any irregular purchase, such as 'spot purchase', which causes confusion in the international grain market. Therefore, China has been welcomed in the international grain market as a steady buyer. However, there is no guarantee that China will never do 'spot purchase' of grain in case of internal emergency as China once stopped the grain import from U.S. when U.S.-China textile trade relation was having a friction. Therefore, the unstable elements in the international grain market, such as the failure to keep the international agreement or 'spot purchase', cannot be totally eliminated.

F. Form of import

All of China's grain import were made between the concerned Governments, and the duration of most of the agreements were for three or four years. (There was an exception when China made an agreement between Thailand. It was only for one year.) In order not to depend heavily on one Country, China has always had several major suppliers. However, in the recent years, China's dependency on U.S. is becoming obvious. China has made agreements between six Countries which are U.S., EC (France), Australia, Argentina, Canada and Thailand. In the agreement made between U.S., there is no obligation to minimum purchase, but there is a limit of maximum purchase and up to the maximum limit China can freely increase the amount

of purchase without previous consultation. Also, under this agreement, China is allowed to have a certain amount of freedom of selection for the purchase. (See reference table 3.)

Table 1. China's import of wheat and feed grain (Unit: one million ton)

(1)	(2)	1979 80	1980 81	1981 82	1982 83	1983 84 (3)
		8.9	17.8	13.2	13.0	11.0
	(4)	66.9	94.1	101.3	98.2	100.0
(5)	(6)					
		2.0	0.8	1.6	2.5	0.5
	(7)	99.4	108.8	98.5	91.6	92.9

(8)

Key:

(1) Wheat
(2) China
(3) Expected amount
(4) World
(5) Feed grain
(6) China
(7) World
(8) U.S. Department of Agriculture

Table 2. World-wide grain import (Excluding rice crop)

(Unit: one million ton)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1979 80		30.1	25.9	23.9	17.6	10.8	76.9	185.2
		16.3	14.0	12.9	9.5	5.8	41.5	100
1980 81		25.2	30.5	23.5	16.1	14.6	80.0	202.9
		11.9	15.1	11.1	7.9	7.2	39.4	100
1981 82		28.5	29.9	19.1	12.5	14.6	80.8	194.8
		14.3	29.0	11.7	6.3	7.3	40.4	100
1982 83		21.3	21.2	13.1	9.3	15.5	87.8	168.6
		11.2	10.3	12.9	4.9	8.2	46.3	100
1983 84		23.2	31.0	24.7	8.7	11.5	93.7	192.8
		12.0	16.1	12.8	4.5	6.0	48.6	100

(10)

Key:

(1) Year
(2) Area
(3) EC
(4) Soviet Union
(5) Japan
(6) Eastern Europe
(7) China
(8) Others
(9) Total
(10) U.S. Department of Agriculture

Table 3.

CHINA: IMPORT COMMITMENTS FOR GRAIN UNDER EXISTING AGREEMENTS

Supplying Country	Date Announced	Duration		Quantities and Specifications
		Years	From	
Argentina	Sept. 1980	4	1.1.81	0.7-0.9 m. tons of wheat; and 0.3-0.6 m. tons of maize (corn) and soybeans annually
Australia	Nov. 1981	3	1.1.82	1.5-2.5 m. tons of wheat a year
Canada	May 1982	3	1.8.82	3.5-4.2 m. tons of wheat annually
EEC a) (France)	Sept. 1980	3	1.8.80	0.5-0.7 m. tons of wheat annually
Thailand	May 1982	1	1.10.82	0.15 m. tons of maize (corn)
United States	Oct. 1980	4	1.1.81	minimum 6 m. tons, maximum 9 m. tons of wheat and maize (corn) annually

a) This agreement expired at the end of July 1983.

(1) 国际小麦理事会 Market Report 1983.10.27

Key:

(1) International Wheat Committee

Table 4.

CHINA: IMPORTS OF GRAIN FROM MAJOR SUPPLIERS

1981/82 to 1983/84 (forecast)

m. tons

SUPPLIES	1981/82			1982/83			1983/84 (forecast)		
	Wheat	Coarse Grains	Total	Wheat	Coarse Grains	Total	Wheat	Coarse Grains	Total
Argentina	0.2	0.1	0.3	2.0	0.2	2.2	1.5	0.2	1.7
Australia	1.5	-	1.5	1.0	-	1.0	2.0	0.2	2.2
Canada	3.0	0.1	3.1	4.2	-	4.2	3.5	0.1	3.6
EEC	0.1	-	0.1	1.4	-	1.4	1.0	-	1.0
Thailand	-	0.4	0.4	-	0.1	0.1	-	0.2	0.2
USA	8.3	0.1	9.3	4.2	2.3	6.5	3.5	1.3	4.8
Total	13.0	1.0	14.7	12.8	2.6	15.6	11.5	2.0	13.5

(1) 国际小麦理事会 Market Report 1983.10.27

Key:

(1) International Wheat Committee

1. U.S.-China Grain Agreement: Agreement was reached in Sep., 1980. Effectuated as of Jan., 1981 for 4 years. Maximum limit of purchase of grain or corn is 9 million tons annually. Minimum limit, 6 million tons. In recent years, U.S. grain occupies a major portion of China's grain import. (New situation developed in 1983 will be explained later.) U.S. export of grain to Soviet Union has sharply decreased since Dec., 1979 when Soviet Union invaded Afghanistan and U.S. restricted its grain export to Soviet Union. Therefore, the weight of U.S. export of grain to China is now becoming heavier. U.S. is now expressing its desire to renew the grain export agreement with China.

2. Canada-China Grain Agreement. Agreement was reached in May, 1982. Effectuated as of Aug., 1982 for 3 years. China will import between 3.5 to 4.2 million tons of wheat from Canada annually. Canada is aggressive in grain export to China, and the export of germ wheat and barley are expected to start in the near future.

3. Argentina-China Grain Agreement: Agreement was reached in Sept., 1980. Effectuated as of Jan. 1981 for 4 years. China will import between 0.7 to 0.9 million tons of wheat, between 0.3 to 0.6 million tons of corn or soy beans annually from Argentina. However, actual amount of import is expected to exceed the amount agreed upon.

4. Australia-China Agreement: Agreement was reached in Nov., 1981. Effectuated as of Jan., 1982 for 3 years. China will import between 1.5 to 2.5 million tons of wheat annually from Australia.

5. EC (France)-China Grain Agreement: Agreement was reached in Sept., 1980. China imported between 0.5 to 0.7 million tons of wheat annually from EC. Agreement was invalidated in July, 1983 and no further agreement was reached.

6. Thailand-China Grain Agreement: Agreement was reached in May, 1982. Effectuated as of Oct., 1982 for 1 year. China imported 0.15 million tons of corn from Thailand.

G. China's grain imports in 1983/84

The total amount of China's grain imports in 1982/83 was between 15.50 and 15.60 million tons. U.S. grain took 42% of the total import of grain. The amount of U.S. grain exported to China reduced to 6.5 million tons from 9.3 million tons which was recorded in the previous year. The decrease of the amount of U.S. grain exported to China is notable. China's grain import from U.S. in 1983 did not even reach a minimum limit which was agreed upon in the present agreement. This was caused by a friction made by U.S.-China textile export agreement. China has stopped the grain import on purpose so

that the textile negotiation may move for China's favor. After the problem of textile export friction was settled, China started the grain purchase from U.S. again. However, during that period, Argentina, EC and Canada extended their credits to China and sharply increased the amount of their shares of grain exports to China. For example, Argentina's grain export to China in 1982-83 reached 2.2 million tons, and it became 7 times higher compared to 0.3 million tons of the previous year. EC increased its export 10 times higher and Canada increased its export by 33% during that period. Therefore, the decrease of the amount of grain import from U.S. did not affect China's grain situation. For 1983-84, China's total import of grain is expected to reduce due to the fact that grain production is now recovering, the food production reached a highest record of 370 million tons, and the demand of import of grain has been eased off.

H. Future prospect

Although the agriculture in China is steadily improving, China will continue to import more than 10 million tons of grain annually, considering the fact that the feed grain's demand is increasing due to the increase of meat consumption and the unavailability of the inland transportation system. Whether China can increase the amount of grain import by two or three times more in case of crop failure is depending on the port facilities and preservation facilities. However, the rapid increase of import will face some technical difficulties.

Here, I would like to touch on the subject of payments for the food imports. Whether China can continue to import grain depends greatly on the financial situation of China. As I am observing the pattern of China's grain trade, China exports rice crops which can be sold at high price in order to acquire the foreign currencies and import wheat with that foreign currency. This pattern will follow in the future. Also, the export of the manufactured products of light industries acquired the foreign currencies which became an import source of fund in order to purchase grain. It is so announced that the foreign currency funds of China at the end of 1981 was 4.8 billion dollars, and it will increase to 11.1 billion dollars at the end of 1982. Judging from this statement, China's export is moving smoothly and China has enough financial ability to purchase 10 million tons of grain annually. In case China faces a temporal crisis and the balance of trade turns into red, the exporting countries can extend their credits so that China's grain export will not face any obstacles.

III. Conclusion

I have tried to make analytical observations on China's food problem from internal and external views. If China succeeds in the following three points, China will be able to cope with the increasing food

problems by the end of this century. The three points are: (1) to succeed in holding the population growth, (2) to succeed in maintaining above 10 million tons' grain import, (3) to succeed in maintaining present open economical policy which is represented by responsible production system.

12522
CSO:4105/215

BRIEFS

RURAL, TOWNSHIP ENTERPRISES--Since this past spring, all areas, party committees at all levels and all government departments have resolutely implemented CPC Central Committee Document Nos 1 and 4, and have strengthened leadership of rural and township enterprises. Rural and township enterprises in all areas have further improved economic responsibility systems, strengthened administration and management, popularized advanced science and technology, and promoted the continual development of rural and township enterprises. According to a summary of statistical information from 13 provinces and municipalities, the total income of rural and township enterprises during the first quarter of the year was 11.7 billion yuan, a 15 percent increase over the same period last year. Among them, the increase was nearly 20 percent in Shanghai and Liaoning, and the four provinces of Anhui, Shandong, Henan and Shaanxi had increases over 15 percent. [Text] [Beijing ZHONGGUO XIANGZHEN QIYE BAO in Chinese 22 Jun 84 p 1] 12533

CSO: 4007/204

NEW PROBLEMS APPEAR WITH RELAXATION OF FORESTRY POLICIES

Fuzhou FUJIAN RIBAO in Chinese 21 May 84 p 2

[Article by Yang Qin [2799 7230]: "Relaxing Forestry Policies"]

[Text] All the forest regions in our province have carried through and worked out Document No 1 of the Central Committee and the Provincial People's Government's 10 rules on relaxing the administration of forestry policy and enlivening the economy of the forest regions. It is by eliminating the old restrictions which fetter the development of forest production, by removing part of the guard checks which block the circulation of commodities and by going a step further in mobilizing the positive factors of the masses on forest planting and forestry administration that the economy in the forest regions has fast become active.

But it is also hard to avoid the appearance of some new problems in some areas. For example, as soon as the provincial government's 10 rules are proclaimed in the newspaper, some units and individuals in Guang Ze County think that laws and regulations do not exist in the meanings of "relax" and "enlivening" and sneak into the forest regions to purchase lumber in private. Some even secretly transport their purchases into the city to resell at a profit, and cases of illegal trade in lumber occur constantly.

How to approach this problem? Some are panic-stricken; they complain that the policy is "too relaxed" and advocate the restoration of the old restrictions and old methods. Some are so helpless that they wash their hands of this in spite of knowing that it's wrong. However, the comrades of the Public Security Department of Forestry in Guangze County take a different view of this problem. They pay attention to learning and understanding the spirit of the policy, they manage to accomplish the work on the principle of relaxing without neglecting strict control, they dare to fight against all kinds of illegal actions damaging the forestry resources, they investigate and handle severely 26 incidents of illegal selling and transporting of lumber, they intercept and capture 77 cubic meters of lumber from the illegal trade and conduct the disposition of persons involved in illegal conduct and they are praised by the masses. Relaxed administration and strict control are interrelated without stressing one side at the expense of the other. If they were to relax administration without strict control, let alone the regulated cutting and chopping of forest and illegal buying and selling of

lumber, they would not comprehend the policy of the party. Just think, if all the forests in the mountains were cut down, what resource could the forest regions use to enliven their economies? Therefore, the leaderships of all levels must understand wholly the spirit of the policy: all that ought to relax must relax, all that ought to be severe must be severe. It is necessary to publicize among the masses the forestry policy to inspire them to observe strictly the laws and regulations concerning the mountain and forest region administrations and the felling and cutting of trees. The unreguled felling and over cutting must be strictly forbidden. Effective accomplishment in upholding the law strictly is required, and violations of law must be investigated and dealt with so that the green hills in the forest regions will be everlasting and be utilized continuously. Thus, the economy of forest regions will be truly enlivened.

12705
CSO: 4007/167

RESULTS OF SCIENTIFIC RESEARCH ON WHEAT NOTED

Guangzhou GUANGZHOU RIBAO in Chinese 6 Mar 84 p 2

[Article by Zhou Xun [0719 6598]: "30 Varieties of Wheat Developed"]

[Text] The 10th-anniversary academic discussion meeting of the Regional Cooperative of Scientific Research on Wheat of the three provinces in South China was closed in Guangzhou recently. More than 40 wheat experts from all parts of China gathered to sum up their achievements and exchange experiences of the 10 years of cooperation in the development of scientific research on wheat in the regions of the three provinces in South China and discussed the problems concerned in the further strengthening of cooperation.

Winter wheat is suitable for the regions in the three provinces: Guangdon, Guangxi and Fujian. In 1972, led by the Dry Grains Research Institute of the Agriculture College in Guangdong, 15 agricultural units in the regions of the 3 provinces were organized to establish the cooperative group for scientific research on wheat in the South China regions. They proceeded cooperatively to solve the key problems by scientific research and efficiently promoted the development of scientific research on wheat and production in the regions of the three provinces. In 10 years, more than 10 varieties of wheat appraised by the three provinces are Hong Mang 22, Jin Mai (Shanxi wheat) 2148, Long Qi 35, etc. There are more than 30 wheat varieties developed by selection. The new varieties are Yue Mai (Guangdong wheat) No 6, Sui Mai (Guangzhou wheat) No 2, etc. These varieties generally possess the following characteristics: early maturing of mid-season maturing, strong stalks and large spikes, comparatively strength in adversity resistance, better possibility for high yield, etc. Its output has increased by 10-20 percent over that of the local varieties. In our province, owing to the spread and practice of these improved varieties and good methods, the average output of wheat per mu was raised from 130 or 140 jin in the beginning of the seventies to 184 jin in 1982.

12705
CSO: 4007/167

PREVENTION OF CROP DAMAGE FROM DISEASES, PESTS OUTLINED

Guangzhou GUANGZHOU RIBAO in Chinese 5 Mar 84 p 1

[Article: "Our City Plant Protection Science and Technology Workers Sound the Drum To Warn Against Diseases and Insects During Spring Ploughing"]

[Text] Recently, city plant protection science and technology personnel made an analysis of the tendencies of outbreak of plant diseases and insect pests and have drawn their conclusions.

This year the impending threats to growth in rice paddies are the "three diseases, three insect pests and one vole pest," namely rice blast [Piricularia oryzoe], sheath and culm blight [Hypochnus sasakii] and bacterial stripe; Scirpophaga incertulas (Walker), rice leaf folder [Cnaphalocrocis medinalis Guenee] and rice plant hopper; and field mice. Threats to economic crop growth include sugarcane snout moth larva, peanut spotted leaf disease, rust disease, mandarin orange red spider, rust spiker, festering (ulceration), litchi stinkbugs and others.

Our city plant protection specialists propose that we adopt the following measures to prevent plant disease and insect pest damage: the first is to continue to maintain a handle on spring prevention, doing work to wipe out insects and diseases in rice seedling beds, carrying out disinfection by seed soaking and making every effort to transplant seedlings without disease or insect. The second is to carry out well the "two checks and two fixes" prevention in large fields, controlling the insect pest situation in a timely way. Do not apply nitrogenous fertilizer unevenly. Seize upon the correct timing for prevention, improving economic results. At the same time, use chemical herbicides well. The third is to complete disease and insect pest surveys of economic crops, implementing every preventative measure. The fourth, in March and April, especially before closing the rows of cereal crop seedlings, is to mobilize the masses to use "anti-mice salt" poison to kill field voles. The fifth is to do a good job of plant quarantine work.

12643
CSO: 4007/180

GUANGDONG COUNTRY TRADE MARKET CONSTRUCTION PROMOTED

Guangzhou NANFANG RIBAO in Chinese 27 Jun 84 p 1

[Article: "Support Construction of Country Trade Markets"]

[Text] Our province was first throughout the country last year in construction of town and country trade markets, it has again continued to develop them during the first half of this year at an unprecedented pace, and this presents one aspect of the good situation of the rapid development of our province's rural commodity production. But it should be seen that construction of country trade markets is still quite unsuited to the needs of developing circumstances. The inadequate condition of country trade markets it still rather prominent in large- and medium-sized towns and county seats particularly.

Construction of country trade markets affects business in many areas and involves concerned departments such as city construction, public security, finance, goods and materials, and health, as well as districts, townships and neighborhoods. It is thus obviously quite inadequate to rely only on industrial and commercial administrative departments to handle it. Many places are now thinking of building country trade markets too, but they often encounter problems such as insufficient funds, arguments over sites and difficulties in finding materials. Some local party and government leaders have also spoken of it, but if even one department says no, they are forced to give it up. As to neighborhoods, residential committees and the masses of people, everyone ordinarily feels that doing a good job of building country trade markets makes it very convenient to buy things. Yet as soon as they hear that a market will be built in the vicinity of the neighborhood they live in, many people oppose it. As a result, the road to happiness is strewn with setbacks, often increasing the many problems in market construction. The reason why local country trade markets such as Sanshui, Nanhai, Shunde and Zhongshan were built so quickly is that these problems didn't exist for them, all sides gave their support, and this is worth learning by all areas.

The Central Committee's No. 1 document this year clearly pointed out that developing commodity production is a rural work priority, and our trades, industries and departments should all implement this document. Town and country market trade is regarded as a supplementary means of commodity

circulation, and its role is becoming clearer and clearer. According to statistics, the volume of business of our province's country market trade last year had reached over 4.2 billion yuan or 13 percent of the total volume of social commodity retail trade, there has been a fairly great development trend again this year, and the country market trade business volume has reached 1.5 billion yuan for the first 4 months alone. All of our departments must thus pay definite attention to building country trade markets, bring this cause which is closely linked to the production and livelihood of thousands of families into line with their own work schedules, and energetically support it.

12267
CSO: 4007/184

BRIEFS

GUANGDONG SUGAR PRODUCTION--According to a report of NAN'FANG RIBAO, Guangdong has vigorously developed sugar production since liberation. The province's sugar output was 1.42 million tons in 1983, which accounted for 37.6 percent of the gross sugar output of the whole country, an 18 fold increase since 1949. The annual sugar output of counties such as Panyu, Shunde, and Zhongshan exceeds 100,000 tons. Now, the annual sugar output of one county alone is more than that of the whole province before liberation, which was 75,000 tons. At present, the area planted to sugarcane is 4.25 million mu in the whole province, an 8.2 fold increase since the eve of liberation. The province has now 162 sugar refineries, with a 14.4 fold increase in their refining capacity from 1949. Over the past 35 years, the province has handed over to the state a total amount of more than 12.5 million tons of sugar, accounting for 55.8 percent of the gross sugar output of the province. In 1983, the sugar refineries of the province handed over to the state 388 million yuan in taxes and profits, accounting for more than 10 percent of the province's financial revenues. [Summary] [HK240820 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 11 Aug 84]

GUANGDONG SUGARCANE RESULTS--Production is finished in the 1983-1984 pressing season in our province's cane sugar industry, and over 1.1 million tons of sugar were produced this season. Due to the effects of changed government policies and natural disasters, 380,000 tons less sugar was produced than last season, but economic results clearly improved, realized profits were 77.16 million yuan, more than 20 million yuan or a 35.51 percent increase over last season, and the profits for sugar products from sugarcane reached over 54,000 yuan per 10,000 tons or a 114.9 percent increase. The major reasons why our province was able to decrease losses and increase profits under the conditions of less sugarcane and decreased sugar production this season are that the leadership was strengthened, a lot of forces were organized to go to the grass roots and stress reorganization work, and enterprise quality was improved. Moreover, technical assistance and contracts were developed and 416 leaders, key technicians and skilled workers were transferred from 16 large-scale sugar refineries to assist 22 new medium- and large-scale refineries, enabling most of them to make up deficits, increase surpluses and reduce losses. In addition, the system of station economic responsibility was also carried out, the use of seasonal labor was reduced, and self-run sugar transport motorcades did a better job of organizing cutting, transportation and pressing, thus improving the freshness of the sugarcane and the sugar production rate. It is understood that by the last 10 days of this June, our province had sent up and transported out over 660,000 tons of cane sugar. [Text] [Guangzhou NANFANG RIBAO in Chinese 30 Jun 84 p 1] 12267

CSO: 4007/184

BRIEFS

GUANGXI GRAIN PRODUCTION SUCCESS--Guangxi has scored tremendous success in grain production in the more than 30 years since liberation. Total output in 1983 was over 27.3 billion jin, a rise of more than 200 percent over 1949. The amount of grain available per person increased from 439 jin in 1949 to 735 jin last year, and the region ranks 12th in the whole country in this respect. The region has achieved self-sufficiency in grain and also has a surplus. Increases in output have doubled compared with the period before the third plenary session. From 1979 to 1983, output rose at an average annual rate of 1.13 billion jin. The area of farmland with guaranteed irrigation increased from 3.9 million mu in 1949 to 19.6 million mu in 1983. Average yield of rice per mu increased from 209 jin in 1950 to 590 jin in 1983. Output of maize, soybeans, and other dry grain crops has also shown great development. [Excerpts] [HK110255 Nanning Guangxi Regional Service in Mandarin 1130 GMT 10 Aug 84]

CSO: 4007/224

GRASSLAND REGULATIONS EXPLAINED AT CONGRESS MEETING

SK230950 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 22 Aug 84

[Text] This afternoon, the ninth Standing Committee meeting of the Sixth Provincial People's Congress heard an explanation on the province's draft regulations concerning grassland management. This explanation was made by (Yu Haiyang), director of the provincial Animal Husbandry Bureau, with the entrustment of the provincial People's Government.

(Yu Haiyang) said: The drawing up of the draft provincial regulations concerning grassland management began in 1972. These draft regulations were adopted after being specially discussed by several provincial and prefectural meetings on animal husbandry work, after repeated soliciting of the opinions of grassroots cadres in charge of grassland work, and after being discussed by the routine office meeting of the provincial People's Government.

(Yu Haiyang) stressed: Article 9 of the PRC's Constitution stipulates that grasslands are owned either by the state of by collectives. Our province's draft regulations concerning grassland management have reaffirmed this article of the Constitution. These regulations stipulate: The rights to use and own grassland should be protected by law. All units using the grassland are not allowed to buy, sell, and lease grassland, to presumptuously transfer grassland to others, and to change the use of grassland. These regulations also stress the necessity of instituting various kinds of grassland contract systems, and define the right of inheritance. This is conducive to managing, using, and building the grassland. (Yu Haiyang) also explained the protection, utilization, and construction of the grassland and scientific research in this regard. These regulations will be put into effect on 1 October this year.

Lu Guang, vice chairman of the provincial People's Congress Standing Committee, presided over today's meeting. Attending the meeting were Zhao Dezun, chairman of the provincial People's Congress Standing Committee; and Chen Yuanzhi, Wei Zhimin, Zhang Ruilin, Wang Pili and Wang Jun, vice chairmen of the provincial People's Congress Standing Committee. Attending the meeting as observers were Zhang Li, president of the provincial Higher People's Court; Yu Jian, chief procurator of the provincial People's Procuratorate; and responsible persons of relevant provincial, prefectural, and city departments.

CSO: 4007/224

MEASURES ON GRAIN MANAGEMENT ISSUED

Beijing JINGJI RIBAO in Chinese 10 Jul 84 p 2

[Article: "Heilongjiang Adopts Several Measures to Reform Grain Management to Meet the Needs of the Developing Urban and Rural Economic Situation"]

[Text] Recently, grain departments in Heilongjiang adopted measures to reform administrative methods for grain in order to meet the needs of the developing economic situation.

The primary aspects of the measures are:

Beginning with the marketing of wheat this year, grain requisitioning will be accompanied by the opening up of grain and oil markets throughout the province. Supply and marketing cooperatives, other rural cooperative commercial enterprises, and individual peasants are permitted to purchase grain and transport it for sale. They can go into urban areas as well as to other counties or provinces. After guaranteeing the completion of requisition base amounts and contractual responsibilities for product types, there should be no restriction on the purchase of wheat and rice over quotas. All products which the peasants want to continue to sell to the state after completing their tasks and which meet quality standards should be purchased at the higher over-quota price. There can be no refusal to make purchases.

Greatly develop "service stations" of rural purchasing and storage agents and specialized grain storage households. Develop them to 1 million households (or stations) this year, and store 4 billion jin of grain.

Reform the fixed point grain and oils supply method and open up restrictions on the sale of grain. Large cities can first open up within their own areas, and medium-sized cities having the conditions can open up the entire city. Small restaurants can purchase grain from local retail sales departments and can pay transportation costs to the grain departments. In remote districts or forest and mining areas without supply network outlets, enterprise units or collective grain and oils sales stations run by residents can be permitted, with a rational commission being paid to grain departments.

All basic level grain stations should have price differentials for wholesale and retail sales, with a system of contractual responsibility. Grain stations with a large number of personnel can adopt the method of individual responsibility systems.

Employees can be permitted to retain their jobs without pay while leaving the stations in order to handle price negotiations for grain, oils and processed food products.

Expand the scope of administration, open up the market in grain and oils. Grain stores should set up grain and oil food products stores and greatly develop service-type projects for the multiple administration of parity and negotiated prices, and for fresh and processed foods. Storage and processing links also should actively develop negotiated purchasing and marketing services. Moreover, grain and oils trade centers and wholesale markets should be set up according to economic regions so that grain and oils enterprises at all levels are gradually transformed from managerial to administrative forms.

Transfer the managerial jurisdiction for grain and oils downward. Each city and county can make its own arrangement for the types and grades of rice, flour and oils product processing. Contracts should be signed between buyers and sellers for the portion that it shipped outside. Determine the grades for processing, transfer and allocation based on needs and according to contracts. The province will no longer be involved in this area.

Reform feed supply methods, adjust supply prices, make distinctions among different conditions, concurrently practice cost pricing, negotiated pricing and parity pricing, and gradually expand the proportion of negotiated pricing.

12539
CSO: 4007/204

BRIEFS

HEILONGJIANG AGRICULTURAL DEVELOPMENT--Since the founding of the PRC, Heilongjiang Province has made rapid development in farming. Over the past 30 years, the state farms in the province produced a total of 88 billion jin of grain and soybeans, and handed over to the state 41.9 billion jin of grain and soybeans. Our state farms also established about 700 industrial enterprises. Last year, the total industrial and agricultural output value of our state farms reached 2.5 billion yuan. Of this, the industrial output value reached over 800 million yuan. Our state farms sell about 3 billion jin of commodity grain to the state every year, on the average. [Summary] [Harbin Heilongjiang Provincial Service in Mandarin 1100 GMT 10 Aug 84 SK]

HEILONGJIANG WHEAT OUTPUT--As of 3 August, Heilongjiang Province had harvested 500,000 mu of wheat. [Excerpt] [Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 4 Aug 84 SK]

HEILONGJIANG FLOOD PEAK--Because of heavy rainfall in the upper reaches of Heilongjiang, the water level of the river rose. At 2300 on 11 August, the flood peak was reached in Huma County, Heilongjiang Province. The water level there reached 101.65 meters. No further water rise was reported. The main dam was safe as a result of the efforts of the people in Huma County. [Summary] [Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 11 Aug 84 SK]

HEILONGJIANG HEAVY RAINS AFFECT HEIHE--Heavy rainfalls on the upper reaches of Heilongjiang caused the water level on the middle reaches of the river in Heihe City to rise. On 10 August, the water level of the river rose by 32 mm. The flood peak on the upper reaches of Heilongjiang will reach Heihe on 13 August. The water level of this flood peak will reach 97.7 meters, 0.5 meters higher than the flood peak of 1972. Heihe City held an emergency meeting on 11 August to devise plans for combating floods and carrying out relief work. Thus far, some 2,000 residents and 50 vehicles are being organized to meet the coming Heilongjiang flood peak. [Summary] [Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 11 Aug 84 SK]

CSO: 4007/224

XINHUA REPORTERS ON HENAN FORESTRY

OW200707 Beijing XINHUA Domestic Service in Chinese 1205 GMT 16 Aug 84

[By reporters Zhang Yulin and Yang Yusheng]

[Excerpts] Zhengzhou, 16 August (XINHUA)--Henan Province, where more than half of the area is level land, has paid constant attention to building forests on its plains as a strategic measure to improve the ecological environment and restructure the rural economy. By now, among the 76 province's counties and cities situated in the plains areas, more than 40 percent have basically achieved afforestation and their lumber reserves topped 31 million cubic meters. The thousand-li wide central plain has been turned into a "bank of greening." The peasants happily told us: "Our 'bank of greening' is beginning to pay interest now."

With most of its area lying in the Huang He-Huai He Plain, Henan Province once accumulated as much as 24 million mu of sandy wasteland as a result of the many breaches and course-changes of the Hunag He and the frequent overflows of the Huai He in the past. Since the founding of the new China, the party and people's government have attached utmost importance to afforestation of the plains. During the 1950's, large amounts of state funds were allotted for afforesting the eastern areas of Henan and 5 key shelter belts with a combined length of 520 kilometers and forests covering a 700,000 mu total area were built there. According to estimates of the province's forestry departments, Henan at present has 1.7 million mu of large tracts of forests, 1.8 million mu of land where crops and the tong trees are interplanted, 1.3 million mu of land used for interplanting crops and fruit trees and 2.3 million mu of forests in between and around farmlands. The province has also surrounded 200,000 of its level-ground villages with trees, lined over 8,000 kilometers of irrigation ditches and streams with willow trees and provided cover for more than 4,500 kilometers of trunk railways and highways. There are now 1.7 billion plants of various trees by house side, village side, roadside, and waterside in the province, which is about 6 times as many as in the early post-liberation period. What is even more gratifying is the fact that the Eastern Hena Plain, an area that used to be ravaged by wind and sand and wanting in firewood, has now become China's largest base of the tong trees.

Afforestation of the plains has prevented the wind and sand from wrecking havoc, improved the ecological environment and promoted agricultural production. This represents the biggest interest paid by the "bank of greening" to the people of

Henan. The areas along the lengthy old channel of the Huang He and the wide expanses of land that used to be flooded by the river are now basically free of the ravages of wind and sand which used to crush houses, fill up wells, destroy farmland and bury whole villages. According to the survey figures obtained by the departments concerned, around farmland protected by shelter belts, wind velocity is 33 percent lower, rate of evaporation is 8 percent less and each hectare of land can increase around 15 metric tons of yeild produced by its soil. Large scale tree planting and afforestation in the plains has given a big boost to Henan's agriculture. Take wheat for example: In the early post-liberation period, summer grain of the province totaled only 6.3 billion jin. This year the figure is over 32 billion jin, or more than 5 times as much. This is the highest yield for Henan in its history.

Development of forestry in the plains has effectively lessened the contradictions between the supply and demand of lumber and provided a major source of economic income for the collective and the peasants. According to the general survey made by the province's forestry department, lumber reserves of the plains area in the province have exceeded 31 million cubic meters, or 45.5 percent of the province's total. Lumber reserves have reached more than 450,000 cubic meters each for nearly 20 counties, including Weishi, Minguan [3046 2938], Suixian, Neihuang, Xihua, Fogou, Suyi, Yanling and Shenqiu [30 8002] Counties.

CSO: 4007/224

BRIEFS

HENAN GRANARIES READIED--The Central Plain areas have already started harvesting wheat. Grain departments in every locality in Henan Province are in the midst of taking all kinds of measures, exploiting granary capacities and ushering in summer grain storage. In order to carry out well this year's summer grain storage work, Henan grain departments and marketing cooperatives as well as other units are working very closely together and actively organizing grain transfers and sales to outside localities. From January to April of this year, the entire province has already sold 1.4 billion jin of grain to outside sources. At the same time, all localities are doing everything possible to make room in granaries, combine storage areas and exploit storage capacities. During these past few years, Sheqi County in southern Henan, which sells rather large amounts of commodity wheat, has cleared out and combined granaries and has implemented storage by the people on behalf of the state. They already can store 200 million jin. [Text] [Beijing RENMIN RIBAO in Chinese 18 Jun 84 p2] 12643

HENAN GRAIN PROCUREMENT--Zhengzhou, 23 July (XINHUA)--As of 20 July, Henan Province had procured 6.04 billion jin of summer grain, an increase of 270 million jin over the corresponding 1983 period. The total summer grain procurement is expected to top 8 billion jin. [Summary] [Beijing XINHUA Domestic Service in Chinese 1450 GMT 23 Jul 84 OW]

CSO: 4007/224

HUBEI DEVELOPS ANTIFLOOD, IRRIGATION, FLOOD DRAINAGE SYSTEM

HK131325 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 9 Aug 84

[Excerpts] Our province has made brilliant achievements in water conservation projects over the past 35 years. At present, the whole province has initially formed an antiflood, irrigation, and waterlogged fields drainage system with small water conservation projects as a foundation and with large and medium-sized water conservation projects as the backbone.

In the initial period after the founding of our country, our province's embankments were thin and low. [Passage indistinct] They were frequently in dangerous condition and it was very hard to take precautions. Since the founding of our country, the principal leading comrades of the previous CPC committees and the previous governments of our province have attached importance to water conservation construction.

While Comrade Li Xiannian held a post in Hubei, he was personally in charge of the (Daao) reservoir project in Macheng, which was completed in 1952 and became the first medium-sized reservoir. Comrade (Zhang Tixue), former governor, also made brilliant contributions toward our province's water conservation construction. The principal responsible comrades of the provincial CPC Committee and the provincial government have earnestly practiced what they have advocated, and the majority of the principal responsible comrades of all prefectures, cities, and counties have become experts in water conservation work. This is an important aspect in the development of water conservation work in our province following the founding of our country.

Under the leadership of the provincial CPC Committee and the provincial government, the engineers and technicians on the water conservation front have closely cooperated with the masses. They have climbed up mountains and waded through rivers to conduct on-the-spot investigations and surveys. They have formulated and perfected rational plans for antiflood work to ensure safety, for storing and drawing water in mountainous and hilly areas, and for draining waterlogged land in lake areas, taking both draining waterlogged land and irrigation into consideration. They have contributed toward our province's water conservation construction.

Under the guidance of this overall plan, through the self-reliance and hard work of all people throughout the province, the province has completed

15.4 billion cubic meters of groundwork and stonework; has built, repaired, and reinforced some 9,200 kilometers of river embankments; has built two large flood-diversion and storage projects; has built 2,281 sluices; has repaired 6,215 reservoirs; has built and repaired 1.16 million ponds; and has built some 15,000 electro-mechanical irrigation and drainage stations with 21,388 machines installed, comprising 2.09 million horsepower. With the development of these water conservation projects, the irrigated areas of all fields throughout the province have increased from 8 million mu in 1949 to 34.98 million mu, which accounts for 63 percent of the total area of arable land. The fields with guaranteed harvest irrespective of drought and floods total 26 million mu, 47 percent of the total area of arable land. In addition, the province has also developed 2,866 small hydroelectric power stations with an installed capacity of some 530,000 kilowatts, has improved 9.94 million mu of low-yield fields, and has leveled 12.61 million mu of land.

CSO: 4007/224

BRIEFS

HUBEI SUMMER GRAIN STORAGE--By 5 August, Hubei Province had stored some 3.54 billion jin of summer grain in granaries, which was 1.4 billion jin more than in the same period last year. The province has also reaped a bumper harvest of summer grain this year. [Summary] [HK161426 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 15 Aug 84]

CSO: 4007/224

HUNAN HOLDS PHONE MEETING ON COMBATING DROUGHT

HK161329 Changsha Hunan Provincial Service in Mandarin 2300 GMT 15 Aug 84

[Text] According to HUNAN RIBAO, the provincial CPC Committee and the provincial government convened an urgent telephone meeting on combating drought yesterday evening, appealing to the cadres and masses throughout the province to take prompt action and to greet the 35th anniversary of the founding of the PRC by staunchly fighting the current severe drought and striving for a good harvest with one heart and one mind.

Liu Zheng, secretary of the provincial CPC Committee and governor, presided over the meeting. Vice Governor Cao Wenju assigned tasks to fight drought throughout the province.

There has been a short rainy season and little rainfall this year, and the dry season has come earlier than usual. According to the forecast by the Meteorological Department, the rainfall in August and September will be less than the normal rainfall in the same period in previous years, and different areas will suffer drought in varying degrees.

The provincial CPC Committee and the provincial government urged the cadres and masses throughout the province to take prompt action, strengthen their resolve to combat the severe drought, and unite to strive for a good harvest. The meeting demanded that various localities be prepared for a long-term fight against drought and take it as a key project for rural areas at present. It is necessary to strengthen control over water conservancy facilities, practice the system of centralized water supply control and planned and economical consumption of water, and further implement the responsibility system for water control. Different units must respect the friendship between them, support and consult with each other, make concerted efforts to combat drought, and try their best to avoid any disputes over the use of water conservancy facilities. In fighting drought, all localities must give specific guidance to different units according to the latter's specific circumstances. It is necessary to guarantee the supply of oil and electricity to those localities where water resources are available so that they can efficiently fight drought and strive for a good harvest. As for those localities which are short of water, it is necessary to make reasonable arrangements and vigorously encourage the peasants to immediately plant autumn tobacco, autumn potatoes, autumn buckwheat, radishes, and Chinese cabbage, so that the losses in the summer

harvest can be compensated for by autumn harvests of miscellaneous food grains, and the losses in the harvest of grains can be compensated for by the revenue derived from the diversified economy. As for the small number of localities which have suffered tremendous losses or even crop failure due to the severe drought, it is necessary to mobilize the masses to tap all production potential so that they can help themselves. All trades must give full support to the combat against drought as well as to the struggle for a good harvest.

CSO: 4007/224

GRAIN BUREAU SUMMER GRAIN, OIL POLICIES DESCRIBED

Nanjing XINHUA RIBAO in Chinese 14 Jun 84 p 1

[Article by staff reporter Yao Guoguang [1202 0948 0342]: "A Responsible Person From the Provincial Grain Bureau Answers Reporter's Questions on Summer Grain Purchase and Sales Work; Satisfy the Peasants' Grain Sale Needs and Enliven Grain and Oil Market Management"]

[Text] The summer grain and oil purchasing work is about to begin, and a responsible person from the provincial grain bureau answered questions yesterday from this paper's staff reporter on matters of interest to the masses.

Question: How are summer grain production conditions in our province this year?

Answer: Although summer grain and oil production in our province has suffered from various natural calamities this year, there has still been a great bumper harvest. According to grain department calculations from all areas, total summer grain output throughout the province is expected to exceed 20 billion jin, setting the highest record in history. Although rapeseed output will be slightly less than last year, it will still be somewhat higher than originally predicted.

Question: What new provisions are there for summer grain and oil procurement policies?

Answer: According to related provisions of the State Council and the provincial government, the grain purchase base must be ensured and fulfilled. Protective prices will be carried out for barley and wheat. After fulfilling purchase responsibilities and quotas, all peasants must continue to sell barley and wheat to the state, and provided quality conforms to state standards, grain departments must pay extra for the excess purchase and not refuse to accept it. After fulfilling state purchase quotas, the prices of basic wheat and broad beans can be freed according to the market. Calculate prices and have wide open procurement of rapeseed according to an "inverse 4:6" ratio, and do not change procurement policies next year.

In order to enliven the grain market, beginning when this summer's grain and oil go on the market, have open markets along with state purchase, and permit supply and marketing cooperatives, other rural cooperative businesses and individual peasants to go into the cities and out of the county or province for procurement, transportation and sale.

Question: How will grain departments handle summer grain purchase work?

Answer: The general principle is to do the utmost to satisfy the peasants' grain sale needs. Under the leadership of their local governments, grain departments in all areas should actively master propaganda work and eliminate the peasants' ideological worries about grain prices going down or procurement being stopped. Moreover, they must mobilize the masses according to state-stipulated grain quality standards to thoroughly dry and winnow the grain and to sell good grain to the state in order to reduce unnecessary losses. Grain departments in all areas must improve service, make separate appointments for procurement, and avoid the phenomena of lines and crowds. They can pay partial grain funds in advance to large commodity grain households, postponing deadlines for grain storage, and should adopt forceful measures in areas contiguous to neighboring provinces, ensuring the satisfaction of the needs of our province's peasants to sell surplus grain.

All areas should also fully tap warehouse potentialities and set up on-the-spot grain storage. In areas with outstanding storage problems, they can organize specialized households to store grain in a planned way and mobilize the masses to help the state store grain. Grain departments should give fair storage fees and technical guidance to ensure safe grain storage.

Question: What changes are there in the area of grain and oil sales?

Answer: Along with year by year grain and oil production increases, our province's grain and oil supply situation has also been gradually improving. But comsumption levels are generally still not high and the market potential is very large. Actively developing the market, enlivening grain and oil management and expanding sales are major links in supporting grain production. While ensuring parity of grain and oil planning and supply, grain departments must participate in market regulation, actively develop food and feed processing and sales, and satisfy the needs of the town and country people to improve their lives and develop the breeding industry. They must both expand negotiated price grain, oil and food sales, and also ensure that the supply of food and drink based on grain coupons is not sold out in order to stabilize the market and put the public at ease.

12267
CSO: 4007/184

JIANGSU TOWNSHIP ENTERPRISE REFORM COMMENDED

Beijing ZHONGGUO XIANGZHEN QIYEBAO in Chinese 8 Jun 84 p 1

[Article: "Township Enterprise Reform is Imperative"]

[Text] In a government work report delivered at the Second Session of the Sixth National People's Congress, Premier Zhao Ziyang clearly pointed out that "Future economic work must stress the two major issues of mastering systems as a major component of the national economy and should also master these two major issues, particularly place systems reform in an important position, and do a conscientious job of this work.

Some comrades ask that since township enterprises are the peasants' collective economy and have the advantages of "not eating out of one big pot" and "not holding an iron rice bowl in both hands", what still needs to be reformed? It seems as if this argument is certainly reasonable. But specific analyses must be made of all matters. Although township enterprises throughout the country have now quite conscientiously carried out the distribution principle of distribution according to work and more pay for more work, yet due to the "left" ideological influence, the abuses of "eating out of one big pot" and "holding an iron rice bowl in both hands" still exist in quite a few of them, and are also quite serious in some. In management systems, many township enterprises have imitated "state operation" and copied "two light", have gradually changed themselves into "small state operations" and "large collectives", and some have even become "government-run" township (town) and village enterprises or official production. These kind of enterprises have gradually become divorced from the peasants, affecting their enthusiasm to run enterprises. In order to further liberate the productive forces and to develop the enthusiasm of the peasants to run enterprises, township enterprise reform is imperative.

The nucleus of township enterprise reform is in persisting in returning power and profit to the people and in realizing the unity of power, responsibility and profit. Guided by the spirit of the Central Committee's related documents, all areas have adopted the method of combining reorganization and reform in recent years, have carried out many reforms of township enterprises, and have acquired very good experience. Yanqiao Township in Jiangsu Province's Wuxi County has introduced the word "contract" from

agricultural production into township enterprises, has carried out reform with "one contract and three changes" as the nucleus, and has initiated great changes during the period of a year. Since Yanqiao Township's reform news was published in RENMIN RIBAO, it has caused strong repercussions throughout the country, and an endless stream of people have asked to go to the township to learn from their experience. In order to satisfy the requests to learn by the masses of township enterprise cadres, staff members and workers, this paper has successively published the two articles of "'One Contract and Three Charges' Hits Present Abuses" and "Bold and Insightful Reformers", and has comprehensively introduced Yanqiao Township's reform experience and township party committee secretary Comrade Ni Pinliang's [0242 0756 5328] advanced achievements for the reference of all areas.

Yanqiao Township's "one contract and three changes" achievements have been very great, but no reforms can be flawless, and they will have certain limitations due to different times, places and conditions. When learning from advanced experience, we should integrate reality and suit measures to local conditions, and must not "do everything in one way". Moreover, we should also further develop township enterprise reform in depth and carry out more thorough reforms in economic management systems and in returning power and profit to the people. Through comprehensive reform of township enterprises in all areas, we hope that more liberated ideology like that of Comrade Ni Pinliang, incisive reforms, and brave and insightful reformers who boldly blaze new trails will be able to appear, enabling reform to be more thoroughly developed.

12267
CSO: 4007/184

BRIEFS

JIANGSU'S FARMLAND IMPROVEMENT REVIEWED--Since the founding of new China, Jiangsu Province has made relentless efforts in farmland and water conservancy improvement, in addition to building large key projects along major rivers. To date, the aggregated total of completed earthworks has reached 22.9 billion cubic meters. For the province's 70 million mu of farmland, a network of irrigation, drainage, and flood-prevention projects has been basically completed. There are over 52,000 electric power irrigation stations across the province. Mechanical and electric powered irrigation and drainage are available now to 84 percent of all cultivated land in Jiangsu. The province now has more than 37 million mu of farmland capable of a sure harvest, despite drought or waterlogging. In the past 30 and more years, while building water conservancy projects, the province has also constructed more than 1,000 kilometers of county-level highways, opened over 20,000 kilometers of waterways for navigation, and built many small hydroelectric power stations, with a combined capacity of 35,000 kilowatts, bringing electricity to 74 percent of the production teams. [Excerpts] [OW230517 Nanjing Provincial Service in Mandarin 1100 GMT 20 Aug 84]

CSO: 4007/224

BRIEFS

JILIN FOOD CONSUMPTION LEVEL--The consumption level of the people in both urban and rural areas of Jilin Province rises every year. In 1952, the average annual per-capita pork consumption in the urban areas was 17.8 jin and it rose to 20.6 jin in 1978, 35.7 jin in 1983. In 1952, the average annual per-capita pork consumption in the rural areas was 10.6 jin and it rose to 13.6 jin in 1978 and 22 jin in 1983. In 1952, the average per-capita fresh egg consumption in the urban areas was 5.8 jin and it rose to 8.2 jin in 1983. In 1954, the average annual rural per-capita fresh egg consumption was 2.1 jin and it rose to 6.5 jin 1983. [Excerpt] [SK202313 Changchun Jilin Provincial Service in Mandarin 1030 GMT 13 Aug 84]

JILIN RAINSTORMS DAMAGE FARMLAND--The central and western areas of Jilin Province was hit by rainstorms and windstorms from 9 to 11 August. According to preliminary statistics, some 560,000 mu of farmland in Lishu, Huaide, Shuangliao, and Changling counties was inundated, and 870,000 mu of farm crops were blown down. After the heavy rains, the water level of Liao He rose with a discharge rate of 400 cubic meters per second. The Siping City water conservancy Bureau and leaders of Lishu County organized some 2,000 persons to repair and strengthen dykes. A comfort group headed by Vice Provincial Governor Wang Jinshan and composed of relevant department personnel was sent to the heavily afflicted Changling County to help in combating disasters and relief work. So far, steps are being taken to arrange for the livelihood of the disaster-stricken people and to strengthen field management. [Summary] [Changchun Jilin Provincial Service in Mandarin 1030 GMT 13 Aug 84 SK]

CSO: 4007/224

CPC COMMITTEE ISSUES CIRCULAR ON FLOOD PREVENTION

SK150157 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 14 Aug 84

[Excerpt] Yesterday afternoon, the provincial CPC Committee and the provincial People's Government issued an emergency circular on further strengthening work to prevent floods and combat disasters. The circular notes: Since the beginning of August, most areas in our province have experienced heavy or torrential rains, and Dalian, Dandong, Jinzhou, Chaoyang, and Fuxin have been hit by catastrophic rainstorms. Because of the strong rains and violent storms, a succession of flood peaks have been reached in some rivers. On 11 August, the flow rate at flood peak in the Jin County section of Daling He reached 7,500 cubic meters per second. On 12 August, the Liao He valley and eastern Liaoning were hit by heavy and torrential rains.

According to the weather forecast, from 17 to 18 August most areas in the province will have moderate or heavy rains. At present, the moisture content of soil in various localities has reached the saturation point and the water level of reservoirs has risen remarkably. Therefore, all localities should really overcome the slack mood and the attitude of trusting to luck, further prepare for preventing catastrophic flooding, while draining areas that are seriously waterlogged, and salvaging flooded areas, and stand in combat readiness to achieve victory in preventing flooding and dealing with emergencies.

CSO: 4007/224

BRIEFS

LIAONING HEAVY RAINFALLS--From 8 to 11 August, Chaoyang and Jinzhou Cities, the west part of Fuxin City, and most parts of Dandong City experienced heavy rainfalls ranging from 100 to 200 mm. Jianchang County's rainfall reached 256 mm. Liaoning Province's agricultural cultivation will be benefited by these rainfalls. However, Chaoyang and Jinzhou Cities saw floods and waterlogging thanks to heavy torrential rains. [Summary] [Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 11 Aug 84 SK]

LIAONING EXPERIENCES FLOODS--Because of heavy torrents, the water level in the lower reaches of Daling He rose. At 0800 on 11 August, some plants and residential areas along Daling He were inundated. Some 600 stranded persons were rescued at 1500 that day. Peng Xiangsong, and Sun Qi, vice governors of Liaoning Province, and leading cadres of Jinzhou City and Jin County inspected the disaster-stricken areas and directed relief work. The flood peak of Daling He reached (Zhangjia) Village in Jin County at 2330 on 11 August, causing 6 dikes to collapse and some 200 families to be stranded. The first batch of 1,200 food items arrived in the village on the afternoon of 12 August. No people or animals were killed. Relief work is still being carried out. [Summary] [Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 12 Aug 84 SK]

LIAONING EXCESSIVE PERCIPITATION--Beginning from the daytime of 12 August, various localities in Liaoning Province have experienced rainfalls in succession. As of 1400 on 13 August, heavy rain or rainstorm with a percipitation generally ranging from 25 to 90 mm fell in Shenyang, Tieling, Liaoyang, Panjin, Yingkou, Jinzhou, Benxi, and western part of Fushun. Among them, Shenyang, Liaozhong, Taian, and Panshan experienced heavy and torrential rains with a precipitation ranging from 100 to 160 kmm. The rest of these localities had small or moderate rains with a percipitation ranging from 5 to 25 mm. At present, most areas in the province have had excessive rainfalls and the water in farmland has reached the saturation point. All localities should pay close attention to the changes of weather and strengthen the antiflood work. [Text] [Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 13 Aug 84 SK]

LIAONING WINDSTORM DAMAGE--The night of 10 August, Liaoning Province's Tieling Prefecture was hit by a force nine windstorm which affected the six counties in the prefecture in varying degrees. In Tieling County along, 340,000 mu of fields were afflicted, more than one half of the cornfields were damaged, and sorghum was lodged. In some plots, 80 percent of crops were damaged. After the windstorm, leaders of Tieling Prefecture and Tieling County went to the disaster areas to investigate the condition of the disaster and study measures to provide relief to these areas. [Text] [Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 13 Aug 84 SK]

CSO: 4007/224

BRIEFS

NEI MONGGOL DAIRY PRODUCTS--The Nei Monggol Autonomous Region has developed its dairy product industry rapidly since the founding of new China. In 1983, it produced 9,160 tons of dairy products and realized 8.48 million yuan of profit and tax, increasing by 154 and [?114] times, respectively, over those of 1950. It has produced 101,000 tons of dairy products over the past 35 years. At present, Nei Monggol ranks second in the country in dairy product production, second only to Heilongjiang. Its dairy product plants have increased from 1 in 1950 to 53 in 1984. Daily milk processing capacity has also increased from 5 tons in 1950 to the present 751 tons, an increase of 149 times. [Summary] [Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 17 Aug 84 SK]

NEI MONGGOL FORAGE GRASS--According to recent statistics, Nei Monggol Region sowed 2.2 million mu of forage grass by plane, overfulfilling the annual plan by some 1 million mu. So far all plane-sown forage grass is growing well. [Summary] [Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 6 Aug 84 SK]

CSO: 4007/224

TEN SHAANXI COMMODITY BASES PLANNED

Xian SHAANXI RIBAO in Chinese 3 Jun 84 p 2

[Article by staff reporter: "Our Province Has Drawn Up Blueprints for Ten Large Commodity Bases"]

[Text] The reporter has learned from the recently held provincial agricultural and animal husbandry conference that our province has decided to build 10 commodity bases. These bases are:

1. A commodity grain base. While strengthening and improving production standards in the old irrigated areas of the central Shaanxi plain and Hanzhong, give priority during the period of the "Seventh 5-year Plan" to concentrate efforts on the North Weihe River's dry plains and the 15 central Shaanxi plains counties of Baoji, Fengxiang, Longxian, Qianyang, Chengcheng, Pucheng, Heyang, Fuping, Binxian, Changwu, Luochuan, Yijun, Qishan, Qianxian and Liquan.

2. A commodity cotton production base in Lintong, Gaoling; Zhouzhi, Chang'an, Weinan, Huaxian, Dali, Pucheng, Hancheng, Heyang, Fuping, Sanyuan, Jingyang, Qindu, Liquan, Xianxian, Xingping, Huxian and the city of Xian's Weiyang Prefecture.

3. A rapeseed commodity production base in Fengxiang, Qishan, Fufeng, Nanzheng, Yangxian and Mianxian.

4. A tobacco production base in Heyang, Binxian, Luochuan, Yichuan, Huangling, Huanglong, Yongshou, Sanyuan, Chunhua, Xunyi, Longxian, Fengxiang, Qianyang, Chengcheng, Baishui, Pucheng, the city of Yanan and Fuxian.

5. A fruit production base. An apple base in Baoji, Meixian, Liquan, Chunhua, Luochuan and the Tongchuan suburbs; and a citrus base in Ziyang, Hanzhong, Nanzheng and Chenggu.

6. A milk goat commodity production base in Fufeng, Lintong, Weinan, Pucheng, Fuping, Sanyuan and Jingyang.

7. A Shaanxi-Sichuan high grade beef production base in Pucheng, Qianxian, Fufeng, Weinan and Zhouzhi.

8. A silkworm cocoon production base in Hanyang, Shiquan, Ankang, Lueyang, Sanyuan and Huxian.

9. A tea production base in Ziyang, Pingli and Xixiang.

10. A commodity sheep's wool, cashmere and meat base in Ansai, Zhidan, Shenmu, Dingbian and Mizhi.

12267
CSO: 4007/184

BRIEFS

OPEN GRAIN, OIL PROCUREMENT--The recently held provincial summer grain and oil procurement meeting has decided that our province's summer grain and oil procurement will "not be stopped" this year. After fulfilling contract quotas, peasants must continue to sell summer grain to the state, and provided quality conforms to standards, all grain departments must actively purchase it. And there will be wide open procurement of rapeseed based on "inverse 4:6" proportion price calculation methods (40 percent parity procurement and 60 percent based on paying extra for the excess purchase). During procurement, grain departments sill not replace any units or use any excuse to stop receiving from the peasants. In order to adapt to new grain production conditions and based on the spirit of the State Council's related circular, during state procurement this summer, our province will open the market and practice diversified management, and during the procurement season, allow supply and marketing cooperatives, other rural cooperative businesses and individual peasants to purchase grain and oil and go into the cities and out of the county or province to sell it. The meeting also studied problems of developing markets and expanding negotiated price grain and oil sales. It decided that for grain and oil needed for feed and industrial and commercial trades in our province and cities, it will maintain the originally planned standard supply and a recently increased partial supply of negotiated price grain and negotiated price and semi-high price oil. It will revise the supply of negotiated price or extra price grain beginning this 1 July for feed and distilling grain, and give it tax reduction allowances. And the state will not supply parity grain and oil for rural collectives and individually managed food and drink, food products and feed production. In order to do a better job of market supply and to expand food product management, all areas must greatly increase production of refined wheat flour and polished rice. [Text] [Xian SHAANXI RIBAO in Chinese 5 Jun 84 p 1] 12267

CSO: 4007/184

NEW FORESTRY REGULATIONS ADOPTED 5 AUGUST

SK150935 Jinan Shandong Provincial Service in Mandarin 2300 GMT 14 Aug 84

[Excerpts] On 5 August, the provincial people's government adopted certain regulations concerning further relaxation of forestry policies. The regulations state: The collectively-owned barren hills, beaches and plots should be totally or partially designated to peasants for personal needs. The remaining barren hills, beaches and plots should be assigned as responsibility barren mountains, beaches and plots, and be contracted to peasants for development. As for those who build shelter forests and water and soil conservation forests on the barren hills and beaches contracted to them, preferential treatments and economic subsidies should be given them by collectives. High and remote mountains with poor conditions for development can be afforested on a cooperative basis, and, after being afforested, these mountains can be contracted to specialized households for management.

The regulations state: All cities and towns should plant trees, grass and flowers on a certain portion of the land so as to green and beautify the surroundings. This work can be contracted to various departments by asking for bids, and can be contracted to the local units or residents for planting, management and ensuring of growth. In villages, the plots in front of and behind houses and unoccupied places suitable for afforestation should be totally designated to peasants for planting trees in line with unified planning, and the trees should be owned by the planters.

The regulations state: Under the unified planning and standards, the work of building forest belts and forest networks beside farmland and interplanting trees and crops can be divided up and contracted to households, and those who have signed the contract should prepare for saplings, and all trees should be owned by the planters.

The regulations state: The existing collectively-owned shelter forests, timber forests and fuel forests can be contracted to specialized groups and households for management. The existing collectively-owned economic forests, such as orchards, mulberry fields and tea gardens, can be contracted to the specialized households or groups for management, and the contracted period should not be less than 30 years. The ownership of such economic forests can also be passed on to the descendants of owners or transferred to other people.

The regulations state in conclusion: These regulations will go into effect from the date of promulgation. When the past stipulations of the provincial authorities conflict with these new regulations, the new ones will be observed.

CSO: 4007/224

GRAIN BUREAU DIRECTOR INTERVIEWED ON GRAIN SUPPLY

SK130559 Jinan Shandong Provincial Service in Mandarin 2300 GMT 12 Aug 84

[Excerpts] Following the increase in grain production every year during the past few years, a contradiction in which peasants had difficulty selling grain and the state had difficulty storing the procured grain has appeared and a problem of relative grain surplus has arisen. Recently, Comrade Yu Peigao, director of the provincial grain bureau, was interviewed by our reporter on this situation.

Comrade Yu Peigao said: Since the 3d Plenary Session of the 11th CPC Central Committee, our province has witnessed a bumper grain harvest every year. The 5 years from 1979 to 1983 were a period of fairly rapid growth in the 30-odd years after the founding of the PRC. The province's grain output reached 54 billion jin in 1983, an all-time record. The province also registered a new record by procuring 9.3 billion jin of grain last year. The amount of state grain in stock has doubled and redoubled and has exceeded demand. Supplies of grain supplies in markets have remained stable, and the situation in which peasants did not have enough rice to eat has become history because they have stored more and more grain every year.

Comrade Yu Peigao particularly pointed out: At present, in some areas the amount of grain exceeds what the state can purchase, store, or allocate and the masses there have difficulty selling grain. This gave the people a false impression. It seems to them that grain production has become adequate. We can say that grain production has indeed increased. However, this is a result of a comparison with the past when grain was not sufficient. The current amount of grain for each person is merely some 700 jin in the province, less than the national average. We should particularly note that, basically speaking, the people's food consists mainly of grain. If we develop a grain and oil food industry and an animal feed industry and enable the people to have more medium- and high-grade foods as well as meat, eggs, milk, and other non-staple foods, our grain supply will lag far behind demand. Thinking that grain problems have been solved and efforts can be slackened and, what is worse, taking action to limit grain production are things that are wrong and must not exist.

CSO: 4007/224

BRIEFS

SHANDONG HEAVY RAIN--Influenced by typhoon No 7, Dezhou, Huimin, Liaocheng, Heze, Dongying, Jina, Zibo and Taian Prefectures and Cities in Shandong have experienced heavy or torrential rain fall since 8 August. [Summary] [Jinan Shandong Provincial Service in Mandarin 2300 GMT 9 Aug 84 SK]

SHANDONG SIXTH FLOOD PEAK--Since the beginning of the flood season Huang He has experienced six flood peaks with a discharge rate of 5,000 cubic meters per second. The sixth flood peak entered the Huayuankou hydroelectric power station in Shandong Province on 7 August and moved into the sea on 10 August. The discharge rate of this flood peak was 6,860 cubic meters per second. To prevent further possible flood peaks, Lu Hong, deputy commander of the provincial Flood Prevention Headquarters and vice governor; liu Yude, commander of the provincial military district; and Zhang Guirao, deputy commander, inspected the Huang He flood prevention projects in Heze Prefecture and Jinan City recently. Lu Hong called for better flood prevention preparations to ensure safety in the Huang He section in Shandong Province. [Summary] [SK190242 Jinan Shandong Provincial Service in Mandarin 2300 GMT 11 Aug 84]

CSO: 4007/224

BRIEFS

MEASURES FOR PIG PRODUCTION -- Recently, the State Council has issued an instruction on the problems of the stabilization and the development of pig production. This points out that stability and the development of pig production are big problems concerning the overall situation, and it is necessary to draw the serious attention of the leaders of all levels. The instruction proposes five measures for the stabilization and development of pig production: (1) to strengthen the direction of pig production; (2) to persist in the policy of assigned purchase and the policy of incentives to sell; (3) to take vigorous action to help the specialized households to raise pigs; (4) to develop energetically the feed industry; and (5) to make practical plans for the pork market. [Text] [Shanghai JIEFANG RIBAO in Chinese 13 Apr 84 p 3] 12705

PRICE INCREASE METHOD CHANGED -- The State Council has made the decision that starting from 1984, when the new cotton goes on the market, all the cotton areas in China would use the porportional method to replace the cardinal number method when increasing cotton procurement prices. This is to change the original method of increasing the price on the excessive part from the fixed cardinal number in selling cotton to the state to the new method of increasing the price in proportion to the quantity of the cotton sales to the state. According to the new regulation, in the Shanghai area, 60 percent of the quantity of standard cotton sold to the state by cotton growers is procured according to the list price while 40 percent is procured according to the list price with a 30 percent increase. There is no increase in price for the substandard product. Take the ginned cotton, which is the third-grade standard product with a length of 27 mm, as an example. The list price is 145.80 yuan per 100 jin, the increased price is 17.50 yuan and the settled amount is 163.30 yuan. If it is estimated according to the actual achieved value of ginned cotton procured in the whole municipality of last year, after the proportion method is put into practice, for every 100 yuan the output value of the standard cotton this year would have a 12-yuan increase of income, and the cotton growers in the whole suburb would expect to have an increase of 15 million yuan in their income. [Text] [Shanghai JIEFANG RIBAO in Chinese 14 Apr 84 p 1] 12705

CSO: 4007/167

BRIEFS

SPECIALIZED HOUSEHOLDS TRAINED -- To create conditions for developing commodity production, Shanxi Province practically trains specialized households in the rural areas. According to the statistics shown at the end of last April, 670,000 households were trained in the whole province. In the recent years, a number of specialized households in commodity production have emerged. At the end of last year, there were already 1,570,000 specialized households of all kinds in the whole province, and this number amounted to 31.5 percent of the total number of households in the rural areas. In last November, the provincial government and the provincial CCP committee of the Shamxi Province made the decision to require general training to be taken within 3 years, once for every specialized household in the whole province, group after group at different times. Since last winter, to meet the demands of the provincial CCP committee and the provincial government, the departments of all levels concerned in the whole province worked out a training plan, compiled the teaching material and, in addition, developed training activities in various forms. The level of productive technique of the specialized households who have gone through the training has greatly improved. [Text] [Fuzhou FUJIAN RIBAO in Chinese 22 May 84 p 4] 12705

CSO: 4007/167

BRIEFS

TIANJIN SUMMER GRAIN OUTPUT--Tianjin Municipality reaped a bumper wheat harvest this year. As of 16 July, the municipality prefulfilled its wheat purchase plan by 10 days. The volume of stored wheat surpassed that of the storage plan by 4.48 million jin. [Excerpt] [Tianjin TIANJIN RIBAO in Chinese 19 Jul 84 p 1 SK]

CSO: 4007/224

BRIEFS

XINJIANG WHEAT PROCUREMENT--By 10 August, Xinjiang Region had procured 1,417 million jin of wheat, which was 51.1 percent of the annual quota for grain procurement and was 179.54 million jin more than in the same period last year. [Summary] [HK151455 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 14 Aug 84]

XINJIANG GRANARIES BUILT--The Xinjiang-Uighur Autonomous Region is in the process of building 151 granaries to welcome the arrival of yet another year's summer grain harvest. At the beginning of this year, the autonomous region grain department decided to raise 20 million yuan in funds to construct a group of granaries so that peasants will not have to worry about the difficulties of selling out harvested grain. They plan to arrange the majority of the granaries at state grain procurement points under the counties. The gross storage capacity of these granaries is over 500 million jin. At the moment construction for all of these granaries has already begun. Before the summer harvest a portion of the granaries will be handed over for use. [Text] [Beijing RENMIN RIBAO 21 Jun 84 p 2] 12643

CSO: 4007/181

BRIEFS

YUNNAN MEAT PRODUCTION INCREASES--With the development of livestock production in the first half of this year, output of pork, beef, and mutton in Yunnan Province has greatly increased. It is estimated that the province will fulfill the 1985 pork, beef, and mutton production quota ahead of schedule this year. The province's gross output of pork, beef, and mutton in the first half of this year was 570 million jin, an increase of 16.9 percent over the same period last year. Of the gross output, output of pork was 550 million jin, an increase of 15 percent over the same period last year. The number of pigs procured by the state in this period was some 1.84 million head, an increase of 9.6 percent over the corresponding period last year. The number of draft cattle in the province in the first half of this year was some 7.7 million head, 5.2 percent more than in the same period last year. The amount of draft cattle on hand in the province ranks second in the whole country. [Summary] [HK240401 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 22 Aug 84]

CSO: 4007/224

HIGHEST SPRING GRAIN YIELD IN HISTORY SET

Hangzhou ZHEJIANG RIBAO in Chinese 5 Jun 84 p 1

[Article: "Zhejiang's Total Yield of Spring Grain Sets the Highest Record in History "]

[Text] After conquering serious natural disasters, Zhejiang's total yield of spring grain this year has surpassed the highest yield in history, which was in 1982, setting a new record.

According to information conveyed at the provincial spring grain and rapeseed output estimation talks now going on in Shaoxing, the gross output of spring grain for the entire province reached 3.9 billion jin, a 10 percent increase compared with last year and an increase of 210 million jin compared to the highest levels in history reached the year before last. Such prefectures and cities as Taizhou, Jinhua and Jiaxing all increased their yields by over 60 million jin over last year.

The long period of drought during spring grain sowing time and the continuous accumulations of snow and low temperatures during the tilling stage both had serious effects on spring grain production. After Zhejiang's rural areas implemented the Central Committee's Document No 1 of this year, peasants universally adopted positive measures to resist calamities; in particular, during the latter stage of spring grain production, they concentrated on clearing out ditches and draining water to prevent the lodging of crops, applying foliage dressing to prevent early withering, spraying remedies evenly over the ears of grain to prevent disease damage, and other concerns thus obtaining success.

According to other statistics, Zhejiang's rapeseed also had an abundant harvest this year, with total yields reaching 5,895,000 dan, an increase of 128,000 dan over last year. Yield per unit of area increased 15 jin.

12643
CSO: 4007/180

ZHEJIANG GRAIN BUREAU ENLIVENS MANAGEMENT

Hangzhou ZHEJIANG RIBAO in Chinese 10 Jun 84 p 2

[Article: "Grain Departments Enliven Management Through Reform"]

[Text] The Provincial Grain Bureau has decided to enliven management through reform. Its grain stations in cities and towns will gradually set up stores to market special cereals, oils and foodstuffs. Fodder production will also undergo major development. Grain department work will undergo a strategic change from a distribution orientation to a management orientation. This news was transmitted by the grain bureau at the talks held in the first half of May attended by prefectural, city and county grain bureau chiefs and managers from the Cereals, Oils and Foodstuffs Corporation and Feedstuffs Corporation.

Zhejiang production of cereals, oils and foodstuffs will undergo a relatively big development. Cereals, oils and foodstuffs industrial enterprises throughout the province not only will greatly increase the production of noodles, glutinous rice cake, dry rice flour, bean vermicelli, bread, glutinous rice products and other popularized foodstuffs; in addition they will actively develop all kinds of medium- and high-grade foodstuffs such as deep-fried easy noodles, a variety of small breads, soybean protein products, new and original beverages, vegetarian beef and vegetarian sausage. They also want to develop fast foods, foods for tourists, accompaniments, nutritional foodstuffs, children's foods, food for the elderly and so on in order to satisfy the varied needs of consumers. This year they want to increase Zhejiang's gross output of cereals, oils and foodstuffs to 160,000 tons based on last year's output of over 130,000 tons. Besides supplying rice, flour and oil at city and township grain stations, they will market cereals, oils and foodstuffs, doing business simultaneously on a parity price base and negotiated price basis for both raw and ripe goods. City and town grain stations also want to have on hand throughout the year high-grade flours, grade-1 rice, special grade-2 rice and other refined rice and refined flour supplies.

The Zhejiang Grain Bureau has decided to adopt measures in all areas, forcefully increasing production of compound and mixed feed. This year's output is to be increased to 1 billion jin from last year's 560 million jin. The measures will be to purchase 230 million jin of corn from outside the province, to purchase and exchange more barley inside the province, to set aside an amount of chemical fertilizer to be exchanged with the peasants for vegetables and

cottonseed cakes, to speed up the construction of new feed plants and increase the production capabilities of feed plants already set up, to set aside 1.5 million yuan in funds to be used for a complete set of storage facilities and to work hard to raise feed quality. At the same time, the marketing network should be expanded, using such methods as self-marketing, marketing by grain stations and invitations to other departments or specialized households to act as agents, facilitating purchases by the masses.

12643
CSO: 4007/180

ZHEJIANG CIRCULAR ON FLOOD CONTROL ISSUED

Hangzhou ZHEJIANG RIBAO in Chinese 15 Jun 84 p 1

[Article: "Yesterday the Provincial People's Government Headquarters for Flood and Drought Control Sent out a Circular on Improving Flood Control and Prevention Work"]

[Text] The flood and drought control headquarters of the Zhejiang People's Government last night released a circular, calling for every locality to improve flood control and prevention work. The circular states that in the past 13 days, many places in our province suffered exceptionally serious flooding after being hit by torrential rainstorms. The amount of rainfall in the eastern and western Shaoyuan Valley and Hongjia Lake flatlands exceeded 200 mm. The water levels of the rivers and lake reservoirs have reached a stage of alert. Water conservancy works in many places are in danger, transportation is blocked and water has flooded homes and a 4.3 million mu area of rice fields. At present, the rainy season of intermittent drizzles has just begun and it is likely that in time there will be rainstorm flood disasters. In order to improve flood control work and to safeguard industrial and agricultural production and the people's lives and property in cities and townships, the circular calls for:

(1) Vigorously doing ideological work among the cadres and masses, moving forward in overcoming apathetic morale and the idea of leaving things to luck and fostering thinking which resists disasters and strives for harvests. With regard to related preparatory work to prevent floods, we must conscientiously carry out investigations and implement all kinds of measures. We absolutely must not fail to take advance precautions nor be panic-stricken at the last minute, creating losses. We must establish a sound responsibility system, delegating responsibility in levels and stages. Responsibility for dereliction of duty must be investigated.

(2) In places that have already suffered flood disasters, we must in full force implement anti-flood emergency draining of waterlogged areas. We must urgently repair whatever facilities were damaged and washed away by the floods. We must make a concentrated effort to drain water from flooded farmland and adopt measures for the rapid recovery of the production of crops damaged by the floods, clearing up the aftermath of the disaster.

(3) We must strengthen flood control work in cities and towns. Dwellings in peril should be investigated and reinforced. Blocked drainage should be urgently unblocked. Materials stored on low-lying land should be transferred to safer places, and obstacles from blocked river channels influencing drainage should be resolutely removed.

(4) Localities which are responsible for flood diversion and detention should educate cadres and masses, adopting an overall point of view. In a very short time it is necessary to guarantee the smooth realization of flood diversion and retention.

(5) Enterprises of every sort must actively support flood control work. Meteorology departments must promptly and accurately make weather forecasts. Post and telecommunications departments must guarantee unimpeded dispatching. Goods and materials departments, commerce departments and supply and marketing departments must all ensure timely supplies of goods and materials, equipment and fuel oil; transportation departments must give priority to transporting emergency flood materials. Electric power departments must guarantee electric power for controlling and draining floods.

12643
CSO: 4007/180

BRIEFS

ZHEJIANG STATE FORESTRY FARMS THRIVE--State forestry farms in Zhejiang made rapid progress in [the] past 35 years since the founding of the People's Republic. In 1950, there were only 5 state forestry farms which kept a total of 100,000 mu of forests in Zhejiang, while now there are 101 state forestry farms managing 3.53 million mu of forests in the province. Over the past years, the state has invested 150 million yuan in the forestry farms. State forestry farms now have total assets of 360 million yuan, accounting for 2.4 times the state investment. [Excerpt] [OW130828 Hangzhou Zhejiang Provincial Service in Mandarin 1030 GMT 9 Aug 84]

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9 Oct 1984